



Last gasp
US turns up the
heat on smokers
Page 21

Banking secrecy
TOP SECRET UK's move finds
few followers
Page 2

Aids research
Bleak news on
the drugs front
Page 17

Cutting it out
Are clip-out coupons
a waste of money?
Page 18

FINANCIAL TIMES

Europe's Business Newspaper

THURSDAY APRIL 21 1994

D8523A

State prosecutor to probe banks over Schneider collapse

The Frankfurt state prosecutor's office is examining the part played by banks in the events which led to the collapse last week of the Jürgen Schneider property group, with debts of more than DM5bn (£32bn). Prosecuting authorities of the state of Hesse said they could not rule out the possibility that banks would be suspected of "involvement in fraudulent activity" or "abetment to fraudulent activity". Deutsche Bank, largest creditor to the Schneider group with outstanding loans of DM1.2bn, said it welcomed the investigation and was confident it would not yield any basis for prosecution against the bank. Page 23

Compaq Computer: First-quarter earnings surpassed analysts' expectations, with a jump in gross profit margins and strong sales growth worldwide. Net income for the quarter reached a record \$213m, an increase of 108 per cent. Page 23

Concern over rise in long-term rates: The recent rise in long-term interest rates is ringing alarm bells among the Group of Seven leading industrial countries, and has been put on the agenda of Sunday's G7 finance ministers meeting in Washington. Page 5

Politicians to probe Crédit Lyonnais: Plans for a cross-party investigation into problems at Crédit Lyonnais, the loss-making bank bailed out by a FF44.9m (£7.7m) government-backed rescue, were released by French parliament. Page 2

Singapore's PM warns US over China

Singapore's prime minister Goh Chok Tong (left) warned that a break in Sino-US relations over China's human rights policies would have severe long-term consequences for the world. However, he believed the US would adopt a pragmatic approach and did not expect President Clinton to revoke China's most-favoured nation status, which comes up for renewal in June. Page 4

Bankers Trust: US bank, said derivatives were not responsible for the sharp fall in first quarter trading profits from \$348m to \$14m it reported on Tuesday. It said it saw a short-term slowdown in client demand for derivatives, but no longer term reduction in the use of the instruments. Results. Page 16. Echoes in Europe. Page 22

Editorial Comment: Page 21

US planes: Korea military exercises: The US will hold Team Spirit military exercises in South Korea in November if North Korea refuses full international nuclear inspections. Page 4

Deutsche Aerospace: Restructuring costs of DM4bn (£640m) pushed the civil and military aerospace arm of Daimler-Benz to a record group net loss of DM650m last year, more than double the deficit for 1992. Page 23

Free flights offer costs \$70m: Hoover's ill-fated "free flights" promotion has cost the company \$48.2m (£70.3m), far more than it originally feared. Page 6

Kosovo politics regroups: A realignment of Kosovar politics appeared to be under way as the Labour party of prime minister Yitzhak Rabin suspended three members of parliament for disloyalty. Page 4

NEKK: Japan's second largest steelmaker, plans to more than halve its capital investment this year in an effort to cut costs and tide it over the recession. Page 4

Mexican rates rise threatens recovery: Mexican interest rates rose sharply, further endangering chances of an economic recovery before this August's presidential election. Page 5

Jordan ban on smoking: Jordan's prime minister, a former ear, nose and throat doctor, has banned more than 300,000 civil servants from smoking in government premises. Showdown in the last gasp saloon. Page 29

D-day anniversary backlash: Dame Vera Lynn, British wartime singer, added to the backlash against the alleged trivialisation of June's 50th anniversary of the D-day landings by suggesting she might withdraw from the celebrations. Page 7

Body identified as Kuwaiti banker: British police identified a man whose decapitated body was found in December as retired millionaire Kuwaiti banker Adnan Al-Sane, 46, who lived in London.

STOCK MARKET INDICES

	FT-SE 100	FT-SE 250	FT-SE Banktrack 100	FT-SE All-Share	Nikkei	New York Incidence	Dow Jones Int'l	S&P Composite
Yield	3.65%	3.93%	3.77%	3.95%	13.82%	13.82%	13.82%	13.87%
Change	+28.7	-3.77	-3.77	-0.87%	-510.18	-510.18	-510.18	-2.67
Close	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18

US LUNCHTIME RATES

	Federal Funds	3-m Treasury Bill	Long Bond	Yield
Open	3.14%	3.61%	6.63%	7.38%
Close	3.14%	3.61%	6.63%	7.38%

IN LONDON MONEY

	3-m Interbank	Life long gilt future	Brent 15-day (Am)	Gold
Open	5.51%	Jun 105% (Am)	\$14.85	\$371.8
Close	5.51%	Jun 105% (Am)	14.92	372.2

New York Comex (Am)

London

STOCK MARKET INDICES

	FT-SE 100	FT-SE 250	FT-SE Banktrack 100	FT-SE All-Share	Nikkei	New York Incidence	Dow Jones Int'l	S&P Composite
Yield	3.65%	3.93%	3.77%	3.77%	13.82%	13.82%	13.82%	13.87%
Change	+28.7	-3.77	-3.77	-0.87%	-510.18	-510.18	-510.18	-2.67
Close	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18

STERLING

	New York	London	Paris	Frankfurt	Tokyo	Hong Kong	Singapore	Malta	Lux	Orkney	CR1300
Open	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688
Close	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688

DOLLAR

	New York	London	Paris	Frankfurt	Tokyo	Hong Kong	Singapore	Malta	Lux	Orkney	CR1300
Open	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075
Close	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075

EURO

	New York	London	Paris	Frankfurt	Tokyo	Hong Kong	Singapore	Malta	Lux	Orkney	CR1300
Open	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075
Close	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075	1.69075

YEN

	New York	London	Paris	Frankfurt	Tokyo	Hong Kong	Singapore	Malta	Lux	Orkney	CR1300
Open	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688
Close	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688	1.688

MARKET INDEXES

	Austria	Switzerland	Greece	Portugal	Ireland	Denmark	Finland	Latvia	Luxembourg	Orkney	CR1300
Open	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18
Close	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18

EUROPEAN MONEY

	Austria	Switzerland	Greece	Portugal	Ireland	Denmark	Finland	Latvia	Luxembourg	Orkney	CR1300
Open	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18
Close	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18

EUROPEAN CURRENCIES

	Austria	Switzerland	Greece	Portugal	Ireland	Denmark	Finland	Latvia	Luxembourg	Orkney	CR1300
Open	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18
Close	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18

EUROPEAN BONDS

	Austria	Switzerland	Greece	Portugal	Ireland	Denmark	Finland	Latvia	Luxembourg	Orkney	CR1300
Open	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18
Close	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18

EUROPEAN BILLS

	Austria	Switzerland	Greece	Portugal	Ireland	Denmark	Finland	Latvia	Luxembourg	Orkney	CR1300
Open	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18
Close	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18

EUROPEAN STOCKS

	Austria	Switzerland	Greece	Portugal	Ireland	Denmark	Finland	Latvia	Luxembourg	Orkney	CR1300
Open	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18
Close	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18	19,882.18

EUROPEAN BONDS

	Austria	Switzerland	Greece	Portugal	Ireland	Denmark	Finland	Latvia	Luxembourg	Orkney	CR1300
Open	3,653.3	3,615.0	3,644.73	3,659.95	19,882.18	19,882.					

EUROPEAN NEWS DIGEST

EU plans rules on bankruptcy

Sweeping new pan-European insolvency procedures could be in place by the end of this year, or next year at the latest. The text is nearing completion for a European bankruptcy convention which would require the courts in each member state to recognise one another's authority and insolvency proceedings. Details were revealed by Mr Manfred Bals, chairman of the EU Council group on bankruptcy and head of the Berlin office of lawyers Wilmer, Cutler & Pickering.

Mr Bals said the convention would permit the liquidator in the principal country of a liquidation to stall proceedings in other countries where a company has subsidiaries, and require EU courts to recognise the authority of practitioners from other countries. Cross-border insolvency problems have been highlighted by the case of Lancer Boss, the UK lift-truck manufacturer forced into receivership after unilateral action by banks against its German subsidiary. Once final negotiations with EU members are completed within the next few months, the text will be forwarded to the Council of Ministers. Andrew Jack, Vienna.

Paris to spend £76bn on defence

France's defence spending plan for 1995-2000 was presented to the French government and President François Mitterrand yesterday, envisaging expenditure of FF7650bn (£76bn) over the six years with a review in 1997. The main international projects include the F/A European transport aircraft, to be developed by an eight-member consortium, a Franco-German armoured car, due to be delivered from 2002, a project with Britain and Italy to build a Horizon frigate, to be delivered in the same year, and the nuclear-powered aircraft carrier, Charles de Gaulle, due for delivery in 1999.

The NH-90 European transport helicopter, being developed by France, Germany, Italy and the Netherlands, will see its costs reduced by between 20 and 30 per cent from the planned level of FF5bn. John Riddings, Paris.

Cartel office blocks gas deal

Germany's Federal Cartel Office said yesterday a contract by Thyssen and Ruhrgas, the country's largest gas supplier and distributor respectively, to supply energy to four cities in Germany would be forbidden under European monopoly regulations. The companies can appeal to the Berlin Courts. The two had intended to organise the distribution of gas to the cities of Cologne, Duisburg, Düsseldorf and Oberhausen, a move which, according to the decision, would have created a monopoly in the region.

The decision coincides with efforts by the economic ministry to prise open gradually Germany's highly regulated energy sector and open up the industry to domestic and international competition. It also coincides with growing pressure by emerging participants in the German market, notably Wintershall, the gas subsidiary of BASF, the country's largest chemical group, which is seeking a larger niche in the energy sector. Judy Dempsey, Berlin.

Clash with Walesa is calmed

Mr Alexander Kwasniewski, the head of the Left Democratic Alliance, the former communist partner in the ruling coalition, moved yesterday to defuse a clash with President Lech Walesa over his right to veto ministerial appointments. Mr Kwasniewski told the president that his group would drop its proposed constitutional amendment empowering parliament to overrule the presidential veto. The president had threatened to call new elections should the constitution be changed. Christopher Bobinski, Warsaw.

Irish bank governor appointed

The Irish government has stuck to tradition and appointed a career civil servant to succeed the central bank governor, Mr Maurice Doyle, who steps down at the end of this month. He is Mr Maurice O'Connell, 57, currently second secretary at the Department of Finance, responsible for its finance division. Mr Doyle announced last month that he did not intend to seek reappointment for a second seven-year term, and it had been speculated that the government might choose someone from outside the civil service.

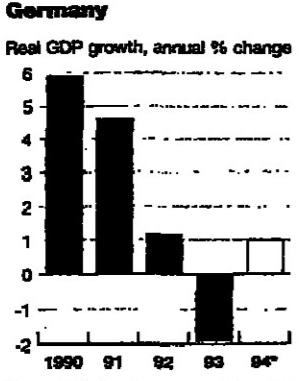
Mr O'Connell is considered a leading expert on the European monetary system and central bank legislation. He is a member of the EU Monetary Committee and a director of the European Investment Bank. Tim Coone, Dublin.

UK bankers to advise Russians

British merchant banks are to advise privatised Russian companies on how to attract investment finance through new share offerings under a £5m-£10m scheme financed by the British government's Know-How Fund. The pilot project unveiled in Moscow yesterday will also help Russian authorities complete legislation regulating capital increases and a secondary market in securities. The merchant banks - Samuel Montagu, Kleinwort Benson, and Hambros - together with accounting and management firms - Ernst & Young, and Deloitte & Touche - will select companies on a competitive basis. They expect to pick one or two companies in each of five Russian cities - Moscow, St Petersburg, Yekaterinburg, Perm, and Nizhny-Novgorod. The plan is part of a campaign to help companies attract finance following the sale of their shares for "privatisation vouchers" distributed free to Russia's 150m citizens. Leyla Bouillon, Moscow.

MEPs ride through EU law

Euro-MPs are preparing to exercise their newly-won powers of "co-decision" under the Maastricht treaty by rejecting a proposed EU law banning powerful motor-cycles. MEPs have responded to public outcry and look certain to overturn a decision by EU governments limiting motor-cycle engines to 100 brake horse power. "This started out as an issue about the power of bikes: it turned into an issue about the power of this Parliament," said campaigning British conservative MEP Mr Peter Beazley yesterday. Press Association, Strasbourg.

ECONOMIC WATCH**German industry optimistic****Germany**

The Federation of German Industry, encouraged by an apparent improving trend in factory orders, has revised its forecasts for growth in western Germany this year. Mr Tyll Necker, president of the influential BDI industry group, said he now expected West German gross domestic product to rise by 1 per cent in 1994, compared with earlier forecasts of a 0.5 per cent rise. In eastern Germany, Mr Necker said that growth forecasts of between 6 and 8 per cent were "thoroughly realistic".

■ The Bundesbank announced yesterday a sharper-than-expected decline in its securities repurchase rate - a key marker for German money market interest rates. The central bank said the rate had fallen to 5.58 per cent from 5.70 a week ago, well above market forecasts.

■ Belgium's fiscal revenues rose in the first quarter of 1994 by 16.4 per cent to BFr433bn (£23.4bn) from BFr37bn in the first quarter of 1993. In March they were up 11.5 per cent to BFr450bn compared with BFr32m in March last year, the Finance Ministry said.

■ Swedish retail sales fell 2.4 per cent in February compared with February 1993 after a 0.5 per cent increase in January, the national statistics agency said yesterday.

UK monetary disclosure wins no converts

Eddie George's European Union confrères take a fairly dim view of transparency, writes David Marsh

Mr Eddie George, governor of the Bank of England, is accustomed to taking decisions that do not meet the universal approval of European central bank colleagues.

When he agreed last summer a five-year freeze on his £200,000-plus salary to show anti-inflation rectitude, one foreign central banker telephoned to chide him for setting an unfavourable example.

Mr George expects that last week's decision to publish minutes of his monthly monetary meetings with the Treasury may also encounter some criticism. Nowhere else in Europe are there any signs of other central banks wanting to make monetary decisions more transparent.

The Treasury-Bank minutes released last week revealed interest rate policy differences between Mr George and Mr Kenneth Clarke, the UK chancellor of the exchequer, in recent months.

Britain has now moved broadly into line with practice in the US, where the minutes of the federal open market committee meetings are released after a six-week interval. The Bank of

England, unlike the US Federal Reserve, does not have monetary policy independence, since responsibility for setting interest rates rests with the Treasury.

Mr George backs publishing the details of his discussions with Mr Clarke to underline his efforts to press monetary rectitude upon the government.

Elsewhere in Europe, however, no moves are on the horizon towards lifting secrecy surrounding interest rate decisions. A spokesman for the statutorily independent German Bundesbank called the Treasury-Bank move "a courageous step to improve credibility". But he said the Bundesbank had no plans to follow suit.

At present, edited minutes of the fortnightly meetings of the Bundesbank's policy-making council are published only after expiry of 30 years. Although roughly 35 copies of the minutes are circulated to senior Bundesbank officials and to ministries in Bonn, details of the central bank's interest rate-setting gatherings rarely find their way into the press.

The Bundesbank's view is that publication of these minutes after a

shorter time lag could constrain the frankness of discussions among its 16 council members. Additionally, publication could damage the tradition under which the bank's top officials try to present policies to the public with a united voice, the spokesman said.

Mr Jean-Claude Trichet, governor of the Bank of France, said last week his bank did not plan to follow the initiative by the Treasury and Bank of England.

Since the beginning of the year, the Bank of France's nine-strong monetary committee has set interest rates independently of the government. However, the central bank regards the deliberations as secret. Even relatively trivial matters such as whether or not decisions are taken by vote are kept confidential.

Mr Trichet, who presents the Bank of France's annual report to President François Mitterrand today, will later make oral presentations to the finance committee of national assembly and senate.

Members of the bank's monetary committee have been asked not to talk in public about their fortnightly

discussions. Mr Michel Sapin, the former finance minister, has probably been the most vocal member of the committee. His most notable public comment so far has been a declaration in January opposing competitive devaluation.

The Bank of Spain, too, will not lift the veil over its policy-making procedures. "The situation here is entirely different from what Mr George is planning," according to a bank spokesman, Mr Luis Angel Rojo, the governor, sees Mr Pedro Solbes, the economy minister, "fairly frequently". "They talk a lot on the phone, but nobody takes any minutes," the spokesman says.

Under current guidelines, the government is responsible for monetary policy, and the Bank of Spain executes it, although legislation before parliament is designed to give the central bank Bundesbank-style autonomy.

A Bank of Italy spokeswoman said yesterday her bank, too, had no plans to publish details of decision-making, made by the central bank in consultation with the Italian Treasury. "Every

day we have discussions. It is very informal," she said.

An official at the Netherlands central bank, which, after the Bundesbank, has the most orthodox reputation in Europe, pointed out that the bank was specifically excluded from Dutch legislation on open government. When the bank's five-man directorate makes a monetary policy decision, the governor, Mr Wim Duisenberg, phones the [Dutch] minister to tell him, "the official said. "The minister is normally more enthusiastic when interest rates go down than when they go up."

Making details of such conversations public "has never been a matter for discussion", the official said. He added that sterling's non-membership of the exchange rate mechanism helped the UK to follow a more open policy. The Dutch view is that publishing details of George Clarke's conversations might risk sterling's stability - a matter that, if Britain were in the exchange rate mechanism, would have repercussions on other European currencies.

Additional reporting by John Riddings in Paris and Tom Burns in Madrid.

Franc under renewed pressure

By John Riddings in Paris

The French franc faced continued pressure yesterday, increasing uncertainty about whether the Bank of France will lower interest rates at today's meeting of its monetary policy council.

The French currency fell to FF74.428 to the D-Mark from FF74.429 on Tuesday evening, despite the 12 basis point cut in the German repo rate to 5.58 per cent. The French currency recovered to close in London at FF74.435, although it remained close to its old narrow band. European exchange rate mechanism floor rate of FF74.405 to the German currency.

Economists were divided about the implications of the franc's weakness for a cut in French interest rates. But most said they still expected a reduction in the intervention rate, the key short-term interest rate, which currently stands at 5.9 per cent.

Meanwhile, the French right is attempting to rehabilitate Mr Georges Pompidou, the conservative president who in 1971 outraged the Jewish community by granting Toulvier a pardon. The 20th anniversary of his death has been commemorated by so many biographies and seminars that Libération, the liberal-left daily newspaper, last week accused the right of indulging in "Pompidomania".

At the same time the left is steering itself for the first anniversary next month of the death of Mr Pierre Bérégovoy, the former Socialist prime minister who shot himself following his party's defeat in last spring's parliamentary elections.

The anniversary is particularly poignant in the light of the suicide earlier this month of Mr François de Grossouvre, a senior aide to Mr François Mitterrand, the Socialist president.

Even the literary scene is glutinously nostalgic. The hottest new novel in France is *Premier Homme*, a previously unpublished work by Albert Camus,

the most pessimistic of the post-war existentialists. An autobiographical novel that Camus was working on before his sudden death in 1960, it shares the same gloomy sense of nihilism as his other works.

It was published last week and is already a best-seller.

"France is in a very nostalgic

mood," said Mr Parodi. "Perhaps it's a coincidence because there are so many anniversaries this year. But I don't think so. It looks as though the French are choosing to wallow in the past rather than facing up to the complications of the present and the uncertainties of the future."

The fall in the franc might lead the Bank of France to be more cautious, but it will not want to show that it is concerned or that it is trying to defend an exchange rate target," said a currency economist at one French merchant bank. He said the central bank was pursuing a strategy of gradual interest rate cuts, following the German repo rate.

Other economists said that a reduction in French interest rates might strengthen the franc by improving the prospects for economic recovery and curbing the growth of unemployment, currently at 12.2 per cent and rising.

French economic officials said they were not concerned by the movements in the foreign exchange markets, which they attributed to general instability caused by the rise in US interest rates. They said the recent decline of the franc should not affect the process of lowering interest rates in France.

They say a reduction in short-term interest rates is less important for the economy, and argue that recovery, fuelled by exports and increasing consumer expenditure, is already under way.

See Lex Column

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Niederradstrasse 3, 60316 Frankfurt am Main, Germany. Telephone +49 61 95 126 829, Fax +49 61 95 126 829. Telex 416 612. ISSN 0307-088X. Printed by W. Reinhard & Sohn, Frankfurt am Main. Member of the International Federation of the Press. Advertisements accepted by the International Federation of the Press. G.M. Bell and Alan C. Miller, Printer, D.F.W. Druck-Vertrieb und Marketing GmbH, Ammerland-Resselsdorf, Strasse 14, 61263 Bad Vilbel, Germany. Advertising by Harry International. Executive Editor: Richard Lambert. The Financial Times Limited, Southwark Bridge, London SE1 9HP, UK. Subscriptions Manager: The Financial Times (Europe) GmbH, Tel. 01 504 0250. P.T. (Germany) Advertisers Ltd, London. Shareholders of the above mentioned two companies at The Southwark Bridge, London SE1 9HP. The Company is incorporated under the laws of England and Wales. Chairman D.G.M. Bell.

FRANCE
Publishing Director: D. Goss, 100 Rue de Rivoli, F-75004 Paris. Post Code 01, Telephone 01 42 74 02 11, Fax 01 42 74 02 11, Telex 416 612. Postmaster: 25272 Paris, France. Postage paid at New York, NY and at additional mailing offices. Postage paid at Paris, France.

DENMARK
Financial Times (Scandinavia) Ltd, Værnedamsvej 6A, DK-1161 Copenhagen, Denmark. Phone 33 13 44 41, Fax 33 93 55 33.

Hungarians queue again - for shares

Nicholas Denton on the launch of a not so massive mass privatisation programme

Issue is reserved for small investors.

Pannonplast, a plastics producer, is next in line. The privatisation authorities have earmarked about 70 companies and state shareholdings worth more than Ft100bn for possible inclusion in the scheme.

Even this tentative estimate pales in comparison with the \$7.1bn that foreign investors had ploughed into Hungary by the end of last year, about half of which was connected to privatisation projects.

Now does the small shareholder programme match the ambition of the Czech Republic's voucher privatisation. The first \$7bn (£4.7bn) wave of the Czech project privatised more than 1,000 companies. A second phase currently under way will distribute about \$5.3bn worth of shares in another 861 companies.

Mass privatisation was supposed, in its initial conception, to reach the parts of the economy that foreign investors could not, or rather would not. But the Hungarian scheme does little to extend privatisation to the large industrial companies such as bus maker Ikarus which have languished, disdained by private investors, in state ownership.

The small shareholder programme largely passes them by to focus on profitable and stockmarket-ready concerns - consumer goods producers, retailers, hotel companies and utilities.

aged woman said: "Just look at how much money managers are getting under capitalism and compare it with how much I earn. This is a kind of compensation."

Others will be more difficult to reach. Economics student and stockmarket punter Jozsef Molnar displayed cynicism typical of modern Hungary. Casting around for the motives behind the government's share give-away, he eventually concluded: "They are fools."

He is joining the small shareholders programme anyway, of course, as are many of his classmates.

Or perhaps the government is not so foolish. The conservative Hungarian Democratic Forum is trailing badly in the opinion polls and the first public offerings on easy terms coincide with the run-up to elections on May 8.

Ministers deny any connection, but Mr Lajos Csapl, managing director of state holding company AV RT, is disarmingly frank: "This is part of the election campaign timed by coalition parties to convince the public that privatisation is heading in the right direction."

But the Forum is stuck still in fourth place on around 10 per cent in the opinion polls and most observers doubt the share give-away will come in time.

"It is too little, too late, to save them," says Mr Molnar, waiting patiently for his shares nonetheless.

الإمارات

Inverts
David Man

Volvo seeks factory site in Russia

By John Lloyd in Moscow and Kevin Done in London

Volvo, the Swedish carmaker, is investigating several different sites for the production of cars in Russia, including the massive Gaz plant at Nizhny Novgorod.

Mr Pekka Päkinen, head of Volvo sales in the Commonwealth of Independent States and the Baltic states, is visiting Nizhny Novgorod today to examine the plant.

Volvo sold 7,100 cars through its official importers and dealers in the former Soviet Union last year in addition to a couple of thousand cars imported through other channels.

Gaz is one of three main sites under examination by Volvo - the others include one near the Finnish border and another near Moscow - but it has emerged as the favourite because of the company's preference for existing facilities over a greenfield site.

Several other western carmakers have examined the possibility of manufacturing in Russia, but no decision has yet been made. Most important, General Motors, the US carmaker, has signed a memorandum of understanding with Vaz, the Russian producer of Lada cars to conduct a feasibility study into the eventual production of the Opel/Vauxhall Corsa small car at the Vaz assembly plant at Togliatti.

The Russian car industry is in crisis, with sales of all models, especially the Volga, falling precipitously as enterprises and individuals lose purchasing power.

Volvo cars have long been favoured by the foreign diplomatic, business and media communities in Russia, and the Swedish carmaker has greatly expanded its foothold in the market in the past three years with sales to the growing Russian business class.

It is assisted by the relatively high prices charged by the Russian carmakers for their products, which are less reliable and have fewer features than their foreign competitors.

The initial plan by Volvo would be to establish small volume assembly of its 940 model from SKD (semi-knocked down) kits with a production of 5-10,000 a year.

Volvo said that it was being forced to consider local assembly in Russia by the high level of customs duties. "We expected to sell 10,000 cars this year, but customs duties have put a brake on it."

The Russian government has delayed a decision on a stiff increase in customs duties, including on cars until June, but it is being pressed very hard by the industry lobby to make a decision in favour of a high tariff regime to shield the domestic industries from competition as their costs rise.

Dunkel sees end to skirmishes on trade front

By Nancy Dunne in Washington

Mr Arthur Dunkel, former director-general of the General Agreement on Tariffs and Trade, yesterday suggested that its successor World Trade Organisation would virtually outlaw the use of unilateral trade retaliation.

"Now, if things work well, the multilateral system will be strong so that no government will need to make recourse to unilateralism," he said. "The World Trade Organisation will cover practically everything that is the subject of disputes: goods, services, ideas."

Mr Dunkel, speaking in Washington, said that the US would be able to bring its complaints about the EU's audio-visual protection to the WTO, where a 35-member arbitration panel would hear the case.

He does not expect Washington to withdraw the laws allowing it to act unilaterally. However, if the US imposed sanctions, they could be appealed against at the WTO where the US may be forced to "correct the situation".

He refused comment on the contention by Mr Mickey Kantor, the US trade representative, that the US can continue to act unilaterally in disputes not covered by the WTO.

Mr Dunkel wrote most of the

new text of the rules agreed in Marrakesh last week. He refuses to say how much of his "draft final act" was later amended until the new WTO is approved by all the governments. Mr Dunkel said the WTO would offer faster recourse in disputes than any current mechanism.

Mr Ron Brown, the US commerce secretary, yesterday said his department was monitoring 50 large environmental projects around the world so that US companies can compete swiftly for the business.

He spoke during a week of Commerce Department activities highlighting the mobilisation of government resources behind exports of environmental technology. US officials say the effort has already helped to generate more than \$355m (£240.5m) in environmental exports.

Mr Brown is establishing an environmental trade advisory committee with 30 members of Congress and the private sector to advise the government.

A working group within his department is identifying markets where government assistance to US companies can secure "high immediate returns". These include Mexico, the China Economic Area, Germany, South Korea, Brazil, Canada, Singapore, Malaysia, Chile and Argentina.

NEWS IN BRIEF

Waste-to-energy project in Taiwan

Ansaldo Volum, a Danish subsidiary of Ansaldo, the Italian state-controlled engineering company, and Chung-Hsin Electric & Machinery, its Taiwanese partner, have won contracts worth \$300m (£205.4m) to build waste-to-energy incinerators for two Taiwanese cities. Andrew Hill writes from Milan. The orders are worth about \$200m to Chung-Hsin and \$100m to Ansaldo Volum, for a four-year project which will generate electricity for the equivalent of 20,000 families in the cities of Pali and Hsinchu.

Ansaldo, which is controlled by the Italian state engineering group Finmeccanica, said the award would give Ansaldo Volum 40 per cent of the Taiwanese market for incinerating urban waste, or 50 per cent if the share of NKK, the Japanese company to which the Danish group has granted a licence, is included. The group has won orders for two other incinerators in Taiwan.

Pepsi grouping buys bottler

Pepsi Cola International is part of a consortium which has bought the Egyptian franchisee, Egyptian Bottling Company (EBC). Shatra Miras reports from Cairo. The £215.8m (\$32m) sale is the country's first industrial privatisation. Apart from Pepsi Cola, the Alcan Bugshan Investments consortium comprises Bugshan & Brothers, which owns Pepsi in Saudi Arabia, and the Egyptian Alcan Group. EBC's eight plants produced 22m cases of Pepsi last year, supplying 45 per cent of Pepsi's volume in Egypt. They have a capacity to supply more than two-thirds.

Oil production ship ordered

Smedvig, a Norwegian drilling and offshore oil and gas technology group, has contracted Singapore-based Far East Livingston to build it a double-hulled oil production ship at a cost of \$300m (£173m) for delivery in the second quarter of 1996. Karen Fossli writes from Oslo.

NEWS: WORLD TRADE

Nancy Dunne and Bernard Simon on a dispute over Canadian grain imports to US

North Americans fall out over wheat

Just a week after negotiators from 125 nations gathered in Marrakesh to celebrate trade liberalisation, the US is preparing to erect new barriers to one of the most valuable exports of its biggest trading partner.

The administration of President Bill Clinton has pledged to raise tariffs on fast-rising imports of Canadian grain, unless a solution is found by Friday to a long-running dispute between the two countries.

The contrast between the mood in Marrakesh and US-Canada trade relations is especially stark in the area of dispute settlement. Even as the administration was bailing the new multilateral mechanism to defuse trade rows, its actions suggest frustration at the bilateral system set up under the 1989 US-Canada free trade agreement.

The US has been the loser in most of the high-profile cases referred to bi-national panels over the past five years. These include four decisions on alleged Canadian subsidies on softwood lumber, and two "extraordinary challenges" to Canadian exports of pork and live pigs.

In February 1993 a dispute settlement panel, headed by Mr



Baucus: defending the prairies

Griffin Bell, former US attorney general, rejected the US claim that Canada's durum wheat exports were violating the free trade agreement. Still, it recommended that the US and Canada jointly funded an audit of Canadian durum sales.

This was done between January 1 1993 and July 31 1992 and it was concluded that the Canadian Wheat Board had been in compliance with the FTA in 102 of 105 sales.

The US has been the loser in most of the high-profile cases referred to bi-national panels over the past five years. These include four decisions on alleged Canadian subsidies on softwood lumber, and two "extraordinary challenges" to Canadian exports of pork and live pigs.

In February 1993 a dispute

	US Durum Wheat Market (bushels m)						
	87-88	88-89	89-90	90-91	91-92	92-93	93-94
Production	93	45	92	122	104	97	69
Imports	7	11	13	19	19	27	30
Domestic Use	50	58	60	76	85	83	76
Exports	62	20	55	53	45	47	55
Imports as % of domestic value	14	19	22	25	22	33	40

Source: US Department of Agriculture

The weight of public evidence to the contrary has not discouraged a group of US prairie senators from pressing for firm action against Canadian wheat. In a letter to the White House last week, six senators - including Mr Max Baucus, head of the trade subcommittee - rallied against the "array of unfair Canadian trading practices" and the "monopolistic" Wheat Board.

They called on the administration to invoke Section 22 of the US Agriculture Adjustment Act, which allows the imposition of quotas or tariffs against any farm product that "materially affects" domestic price support programmes.

The case for this contention rests heavily on a confidential US Department of Agriculture report which last year charged that cheap imports from Canada had cost the US farm programme \$600m and interfered with the operation of the wheat market. The department has so far declined to release the study.

It is not in dispute that US imports of Canadian durum, which is used mainly for pasta, have risen steadily from 1m tonnes in 1988-89, when a drought created a domestic shortage, to an estimated 3m tonnes for 1993-94. At the same time, US production has fallen from 93m tonnes in 1987-88 to a projected 69m this year.

Analysts disagree on the cause of the production decline. Some say US farmers find it more profitable to plant spring wheat, which yields much more grain per acre than durum. Others say US farmers have been discouraged from planting durum because the Canadian imports have knocked down the price. Whatever the cause, half the US durum produced in the last

seven years has been exported with the help of generous export subsidies.

So strong is the demand that this year's average price is well above the US support price, which means the US agriculture department will not be obliged to pay production subsidies.

When the administration indicated that it was considering action under Article 22 of the General Agreement on Tariffs and Trade, which would require an offer of compensation to Canada, the prairie senators became alarmed. "We believe that this apparent switch in emphasis from Section 22 to Article 22 locks us into supporting a trade restraint," they said, "when our real goal is to promote truly free trade."

The Canadians contend that cut-price US exports are partly to blame for the present impasse. Wheat sold under the US Export Enhancement Programme has squeezed Canadian supplies out of many overseas markets, forcing the Canadian Wheat Board to look south for new outlets. They say they are only responding to demand from US millers and food processors for high-quality, reasonably-priced raw materials.

Other studies have also found little basis for Washington's complaints. The US International Trade Commission, in a 1990 study, found no consistent difference between US and Canadian prices. Still another study, published last Monday by a number of food industry groups, said Canadian imports at most pushed down US wheat prices by a few cents per bushel.

Mr Martin Abel, the agriculture consultant whose firm prepared the report, added that "the US and Canada compete in both domestic and world markets. When imports into the US are not sold in the world market, they make more room for US growers in the global marketplace."

The Canadians contend that cut-price US exports are partly

Insecure? Friendless? Alone?



Not with Sun. Not in the decade of open, distributed computing.

But maybe, after two decades of proprietary propaganda, the message still isn't getting through.

If not, let us spell it out for you.

Every resource added to a network adds up to a more powerful computer. Or as we would say, "the network is the computer."

It doesn't matter whether your system is a desktop PC or a proprietary mainframe, today's challenge is planning the future through the network. An open systems framework keeps it all together, keeps data secure, and keeps the network manageable.

Interoperable. (Not just interconnected.)

Distributed information. (Not just access to data.)

Above all, focussed on the possibilities of the future, rather than on maintaining the past.

Let no one tell you this is easy. But don't believe it's an impossible dream.

For example, all of our SPARCserver systems

support all of the industry's leading networking protocols. We have products that will help you manage complex networks effectively. We understand the need to work with existing desktop systems. We have software which allows you to run PC applications native on your UNIX system. Finally, we have applications like Locus Notes which bring team players together.

Choose Sun, and you'll never work alone.



For more information on Sun's open, distributed, computing solutions, and how they integrate with existing systems, please complete and return this coupon to Sun Microsystems Computer Corporation, Bagshot Manor, Green Lane, Bagshot, Surrey, GU19 5NL or telephone 0276 675252.

Mr/Mrs/Ms _____

Company _____

Address _____

Telephone _____

Postcode _____

Fax _____



The Network is the Computer

NKK slashes investment to beat recession

By Michio Nakamoto in Tokyo

NEK, Japan's second largest steelmaker, plans to more than halve its capital investment this year in an effort to cut costs and tide it over the recession.

NKK said that as part of its restructuring programme it would reduce capital spending to Yen 30bn (2414.5m), or 32 per cent less than the Y130bn spent last year.

The company, which expects to make a Y25bn loss in the year to March, is planning to reduce capital spending by March 1997 to one-third of levels seen in the past three years. The move highlights the increasingly difficult trading environment facing Japanese steelmakers, battered by falling demand at home, the strong yen and increasing competition from cheaper, foreign-made steel.

To make matters worse, the recession is testing the loyalty of their traditional customers. Mitsubishi Motors, the Japanese car company, said it was testing Korean-made steel, which is as much as 20 per cent cheaper than Japanese steel, underscoring the growing rift opening in the traditionally strong business ties Japanese companies have had with each other.

If Mitsubishi decides to use

Korean steel, it would be the first Japanese car company to do so on any scale in the domestic market.

The car industry comprises as much as 20 per cent of overall steel demand in Japan. Earlier this month, the main steelmakers were forced to agree price cuts demanded by leading automakers for the first time in five years.

Mitsubishi emphasised that there was no change in its policy of maintaining good relations with Japanese steelmakers.

"The high quality of Japanese cars owes much to the technology development efforts of Japanese steelmakers," Mitsubishi said.

But Japanese carmakers themselves are under extreme pressure to reduce costs.

Even if Mitsubishi in the end decides against using Korean steel, the message will have been delivered - the recession has made vulnerable one link that had seemed inviolable.

• The US government yesterday upheld a preliminary ruling that Japanese makers of grain-oriented electrical steel have been dumping their products in the US market. If the International Trade Commission decides that the practice is hurting US business, Japanese steelmakers could face anti-dumping tariffs of up to 31.08 per cent.

North Korean threat tests Japan's resolve

The Pyongyang problem has put Tokyo on the defensive, writes Michio Nakamoto

Two or three times a month, a ferry leaves the port of Niigata, on Japan's western coast, and crosses the Sea of Japan to Wonsan, in North Korea. The boats carry Koreans living in Japan to relatives and friends in a country which is suspected of secretly developing nuclear weapons and with which Japan has no formal relations.

About 70km north of Niigata, on the island of Hokkaido, Japan's Defence Agency has stationed Patriot missiles to defend the country against any possible aggression. North Korea denies it is developing nuclear weapons, but earlier this month its ambassador to India warned that if it did so they would be "primarily designed to contain Japan," rather than aimed at South Korea or the US.

The ferries and the missiles are vivid symbols of the conflicting feelings of guilt, uncertainty and fear that have shaped Japan's uneasy relationship with its communist neighbour.

The arrival in Tokyo today



of Mr William Perry, US defence secretary, will impress on the Japanese public the importance of doing so. Mr Perry is scheduled to meet ministers to discuss North Korea as well as the US-Japan security arrangement.

Japan's coalition government this week took a significant first step towards putting these issues on the public agenda by formulating a unified stance on Japan's response

to the Korean problem. The coalition agreed that Japan would follow United Nations policy on North Korea and would prepare for any emergency within the framework of Japan's constitution and in close co-operation with the US and South Korea.

But the accord papers over differences its members have on the issue. Reaching a national consensus on the difficult questions North Korea poses for Japan will be an extremely painful process.

Japan's historic guilt about both Koreas, and geographic proximity to the Korean peninsula, have caused an uncanny silence in Tokyo about the implications of North Korea's supposed nuclear ambitions. That silence has masked Japan's dilemma in choosing between its inclination to follow the international line as

much as possible and domestic circumstances that make doing so very difficult.

For example, while international concern has been raised about the flow of funds from Japan to North Korea through Korean residents such as those travelling from Niigata to Wonsan, the official response has been dictated by sensitivity towards Japan's Korean community.

Japanese officials insist that "Korean residents in Japan should have the same rights as Japanese people to travel to return to their country or to send money they have earned to relatives," as one foreign ministry official says.

The issue is complicated by suggestions that owners of *pachinko* (pinball) parlours also regularly transfer funds to North Korea. About 40 per cent of Japan's 18,000 *pachinko* parlours are linked to the Chosen Soren, a pro-North Korean organisation, with 119 SDP Diet members belonging to the Japan North Korea Committee, an organisation which aims to improve relations with North Korea.

And on Tuesday Japanese police searched the offices of a trading company on suspicion that it secretly paid \$118,890 (£81,411) into the bank account of a North Korean trading house based in Pyongyang in breach of Japan's foreign exchange law. The trading company, Mitsui Boeki, is suspected of illegally transferring the money to the Pyongyang company by fabricating a contract to import North Korean marine products.

Such divergent views will undermine Japan's ability to

respond effectively should the international community adopt a more hardline stance.

At the same time, developments on the North Korean peninsula have posed questions about Japan's long-term regional security arrangements. "For the first time Japan is having to think about the issue of nuclear weapons as something that could directly affect its own security," says Mr Masao Okonegi, professor of international affairs at Keio University.

Such concerns are aggravated by the coalition government's own lack of a clear stance on North Korea amid the political turmoil that has rocked the country over the past eight months.

On the one hand, the Social Democratic party, which is the largest coalition partner, has traditionally had close ties with North Korea's Workers' party, with 119 SDP Diet members belonging to the Japan North Korea Committee, an organisation which aims to improve relations with North Korea.

"Japan has to have the means to deal with threats of a missile attack. Otherwise its foreign policy will be dictated by the whims of countries that have developed nuclear weapons," warns Mr Hiroaki Kurihara, a specialist on international affairs and defence.

The North Korean situation will be a crucial test of Japan's willingness to overcome its past and play a new, more assertive role on the international stage. Given its keenness to join the UN security council, and growing calls to assume an international role more commensurate with its economic strength, it will be more difficult for Japan to continue to prefer to live in the shadow of its guilt and the US military shield.

Chinese banker pledges tight money policy

By Tony Walker in Beijing

China is committed to a tight money policy and will not ease credit restrictions in response to signs of a marked slowdown in the state industrial sector, one of the country's top bankers said yesterday.

Mr Dai Xianglong, a deputy governor of the People's Bank, the central bank, delivered a blunt message to a national banking conference in Shanghai that faltering state enterprises could not expect to live on easy credit.

Mr Dai also pledged that money supply growth would be kept within this year's targets which envisages year-on-year growth of about 15 per cent compared with annual growth of 30 per cent since 1990.

The bank official, whose remarks appeared aimed at heading off demands from the state enterprise lobby for a loosening of credit restrictions, said that the country's economic managers must "remain cool headed." Inflation, he said, "was showing no sign of improvement."

Figures released earlier this month by the State Statistical Bureau revealed that industrial output of state enterprises, which account for between 40-50 per cent of the total, had slowed to 2 per cent.

This compared with 50 per cent for township enterprises and 90 per cent for foreign funded ones.

China's overall rate of economic growth began slowing in

the first quarter to 12.6 per cent compared with more than 13 per cent in 1993. The government's target for this year is 9 per cent.

Cost-of-living increases are running at more than 25 per cent in the cities compared with last year. Retail inflation exceeded 20 per cent in the first quarter against the same period in 1993. The authorities introduced a 16-point stabilisation programme last July in an effort to cool an overheating economy.

Mr Dai warned that state enterprise demands for additional credit would be examined on a "case-by-case" basis. Priority, he said, would be given to those with good economic performance, followed by those in a position to "turn red into black in a short time".

Enterprises up to their neck in debt and with no hope of recovery will be declared bankrupt, he added.

• China, which wants closer ties with India, is considering a big land concession to New Delhi as a step to settle a border dispute, China's ambassador to India said yesterday. Reuter reports from Calcutta.

Mr Cheng Ruiseng told a news conference at Calcutta that his country, claiming huge parts of several Indian border states, was prepared to concede the Himalayan Sikkim region to India. He did not say when China was planning to officially recognise Sikkim as an Indian state.

US and Seoul plan for military manoeuvres



US defence secretary William Perry and South Korean defence minister Ri Ee Byong meeting in Seoul yesterday

By John Burton in Seoul

The US will hold its Team Spirit military exercise in South Korea some time in November if North Korea continues to refuse full international nuclear inspections.

The decision was announced yesterday after talks in Seoul between Mr William Perry, the US defence secretary, and South Korean officials.

The military exercise, which involves extensive ground manoeuvres, cannot be held earlier because it would disrupt planting and harvesting activities in farming areas, according to South Korean officials.

However, the late schedule for Team Spirit, which is normally held in the spring, could weaken its use as a negotiating tactic to pressure North Korea to allow nuclear inspections.

The US has offered to suspend Team Spirit if North Korea permits nuclear inspections to proceed. But the International Atomic Energy Agency wants to conduct the inspections by early next month. North

Korea has reportedly protested against the staging of the exercises, which have been held almost annually since 1976, as a provocative act that would raise tensions on the Korean peninsula.

Analysts believe that the US may use this year's Team Spirit, if it is conducted, as a means to stockpile US military equipment in South Korea. Mr Perry said that the US and South Korea had agreed to improve their defence preparations through the deployment of new equipment such as Patriot anti-missile batteries, Apache attack helicopters and mobile missile early-warning systems.

The US is also asking South Korea to purchase artillery targeting systems that would spot the location of thousands of North Korean artillery batteries along the demilitarised zone.

But Mr Perry emphasised that there is "no imminent danger of a military confrontation" and explained the military build-up was a precautionary measure.

Cambodian troops routed

By Ian Simpson
in Phnom Penh

who led the attack, said that if Pailin was lost again his soldiers did not deserve to be called the national army.

The government is trying to present the defeat as a tactical withdrawal but there is severe embarrassment over the reversal, with government soldiers fleeing Khmer Rouge artillery attacks.

Wounded soldiers are being treated at the hospital in Battambang said morale among the troops was very low because they were short of food and were not getting the medical supplies they needed.

The troops also complained that their officers were keeping

everything they found in Pailin for themselves and not sharing the spoils with their troops as they had promised. So, when that attack came, there was little resistance and many of the troops simply ran away.

The prime minister, Mr Hun Sen, angrily blamed the Thai military for helping the Khmer Rouge. He claimed the Thais had provided artillery support and had moved several hundred guerrillas along the border for the attack.

The Thais have consistently denied such allegations, which they regard as a means of trying to conceal the incompetence of the Cambodian army.

Israel's Labour party in danger of generation split

By Julian Ozanne in Jerusalem

A realignment of Israeli politics appears to be under way yesterday as the Labour party of Prime Minister Yitzhak Rabin suspended three members of parliament for disloyalty.

Among the three is Mr Ramon, former health minister, who is forging a political coalition to challenge Mr Rabin's supporters in next month's elections for Histadrut - the trade union federation.

Political observers said Mr Ramon's initiative is a landmark in Israeli politics similar to the creation of the SDP in Britain which could signal the beginning of the end of the traditional Labour party.

They also said it would divert the government's attention from the Middle East peace process at a critical time.

Mr Ramon, a popular politician widely touted as a future prime minister, is contesting the Histadrut elections on an independent list supported by the left-wing Meira bloc, the ultra-orthodox Shas party and several members of the younger generation of the party.

Mr Ramon's challenge has won support from many Labour activists, fed up with the dominance of the trade unions and old guard leadership represented by Mr Rabin and Mr Shimon Peres, foreign minister, who are both in their seventies.

It is always a matter of timing for an ambitious group to emerge and it will emerge even at the cost of bitter splits and quarrels with the old guard," Mr Samet said. "The group headed by Ramon and Beilin is certainly the power to be. The question is when and how and whether they will be able to stay in the Labour party and take it over."

Mr Ramon's challenge has caused considerable concern among senior Labour leaders who accuse him of splitting the party and weakening the fragile coalition which supports the peace process.

"This is a grave political attempt, in the midst of a peace government, to harm it by casting doubt on its leadership," Mr Rabin said.

The real battle will start after the Histadrut elections as Ramon's goal is to create an alternative party to Labour," Mr Peres said.

Bucharest discussions of final self-rule items

Peres and Arafat in talks

By Julian Ozanne

reach a signing ceremony in Cairo next week between Mr Arafat and Mr Yitzhak Rabin, Israeli prime minister.

The two main problems to be solved concern jurisdiction of the Palestinian legal system - whether Palestinian courts will be able to try Israelis who commit crimes in Gaza-Jericho and security zoning arrangements for the Gaza Strip. Officials said Mr Arafat and Mr Peres might also have to negotiate the issue of a Palestinian currency, which is holding up Paris talks on eco-

nomic relations between Israel and the future Palestinian self-governed economy.

Peace talks in Cairo this week have made solid progress finalising a timetable for the release of Palestinian prisoners and agreements on water and communications issues. But bitter wrangling over the last two remaining obstacles has dampened hopes for a breakthrough in Bucharest.

Before this week's talks both sides had expressed optimism the deal could be finalised and ready for signing next week.

Singapore's PM warns US over China

By Alexander Nicoll,
Asia Editor

Mr Goh Chok Tong, Singapore's prime minister, warned yesterday that a break in Sino-US relations over China's human rights policies would have severe long-term consequences for the world.

In an interview with the Financial Times in London, Mr Goh emphasised that he did not foresee a fracture in relations because he did not expect President Clinton to revoke China's most-favoured nation status, which comes up for annual renewal in June.

"The US at the end of the day will be rather pragmatic," he said. "China is a huge export market for the US. US business people are putting pressure on the administration that you can only make a point on human rights thus far and beyond that the Chinese are not going to move."

But if there were a break between Beijing and Washington, Singapore would continue to invest in China. "China will need even more investments from Singapore because there will be fewer from the States. The market will be open to those who trade with China." The principal concern would be over the geo-political consequences. China would interpret the US action as an attempt to limit its growth and would remember it for a long time, Mr Goh said.

Goh sees China powerful in 20 years

مكتبة من الأجل

NEWS: THE AMERICAS

House hangs tough on crime bill

By George Graham
in Washington

The House of Representatives is expected to complete its version of a crime bill today after a week of debate on the right blend of punishment and prevention.

In an election year in which crime has soared to the top of many voters' list of concerns, most members of Congress have preferred to err on the side of toughness.

Already, the House has voted to reject measures to streamline the appeals process for prisoners facing a death sentence - which opponents said would actually allow prisoners to drag out their appeals for longer - as well as an attempt to substitute life in prison for all the death sentences in the bill.

The appeals overhaul would generally have allowed prisoners to make one appeal to the federal courts within a year of exhausting their state appeals. It would thus overturn the effect of some recent Supreme Court decisions which have limited the right to appeal to the federal courts on the basis of new evidence or a new legal ruling.

It would also have allowed defendants to use statistics to challenge their death sentences as racially discriminatory.

Statistically, a black American is more than twice as likely to be sentenced to execution for killing a white

victim than for killing a black victim.

It has also voted to expand the "three strikes and you're out" proposal, which would impose a mandatory life sentence for someone convicted of a third violent felony, to include certain non-violent drug offences.

Critics feared this expansion of the "three strikes" measure, which has been endorsed by President Bill Clinton, could dilute its effect and possibly even put the whole crime bill at risk.

However, Congressman Gerald Solomon of New York, who sponsored the measure, argued that there was no such thing as a non-violent drug trafficking offence.

It is hard for members of Congress to restrain themselves when it comes to voting for anti-crime measures, even when they know very well that they will probably not provide the money necessary to carry many of them out.

The version passed by the Senate last year already carried a price tag of \$22.3bn, including \$8.5bn over five years to help local governments hire 100,000 new police officers, and \$3bn to build at least 10 new federal prisons for violent offenders.

The cost of the House version has already risen above \$23bn. Although it provides for fewer new police officers, it adds an extra \$10.5bn to help states build more prisons of their own.

Clinton under pressure on Haiti

By Jurek Martin in Washington

Pressure is growing on the Clinton administration to adopt more forceful policies against the Haitian junta.

Last on Tuesday, five liberal senators proposed a bill, similar to one already in the House, which would significantly tighten existing sanctions.

It would extend the current oil embargo to a complete ban on commerce, cut off air links, and freeze the US assets of the junta and its civilian backers, as well as denying them US visas.

Yesterday, Mr Randall Robinson, a respected political activist now in the second week of a hunger strike, said he would not abandon his fast until the "discriminatory, immoral and profoundly racist" US policy of summarily returning Haitian refugees was dropped. The Senate bill would

also deny federal funding for operations repatriating Haitians.

The State Department was also forced to defend the purchasing by US diplomats in Port-au-Prince of petrol illegally imported through the Dominican Republic. This practice, according to Senator Christopher Dodd, the Democrat from Connecticut and co-sponsor of the bill, rendered the oil embargo a "joke".

The State Department said US embassy officials had no choice if they were to tour the island, checking on human rights abuses and helping humanitarian supplies get through.

Last week Congressman David Obey, the Wisconsin Democrat known for his moderate views, went so far as to call for an invasion of Haiti, under international auspices but with a substantial US contingent, to restore democracy.

Housing starts bounce back after US winter

By Michael Prowse
in Washington

US housing starts rebounded sharply last month after a winter hiatus caused by exceptionally cold weather, official figures indicated yesterday.

Starts rose 12 per cent last month to a seasonally adjusted annual rate of 1.47m.

This was 35 per cent higher than the figure in March last year, but still well below the recent peak of 1.61m starts in December.

Housing rebounded in all regions, with the biggest gains recorded in the Midwest, where starts rose 30 per cent from February.

Building permits, which offer a guide to future construction activity, rose 5 per cent last month.

With demographic trends less favourable than in the 1980s and mortgage rates now rising, analysts are growing sceptical about how much scope there is for further big gains in starts.

The March jump could be the "last hurrah" for this cyclical sector, said Mr David Munro, chief economist at High Frequency Economics, a New York consultancy.

Analysts at C J Lawrence, a New York brokerage, said starts would probably fluctuate around the March level, averaging 1.4m-1.5m this year.

Mexican recovery put at risk as rates rise

By Damian Fraser
in Mexico City

Mexican interest rates rose sharply yesterday, further endangering chances of an economic recovery before August's presidential election.

Interest rates on 28-day government paper rose to 18 per cent, 3.4 percentage points up on last week and compared with 8.8 per cent at the end of February. Real interest rates are now about 11 per cent.

The rise in rates led yesterday to another drop in Mexico's stock market, which was down by 3.3 per cent to 1997 by late morning. The market has fallen by more than 30

IMF WORLD ECONOMIC OUTLOOK

Much better, but must try harder

Peter Norman, Economics Editor, on a call for all countries to boost recovery

The good news in the International Monetary Fund's latest World Economic Outlook is that the global economy is heading for stronger growth.

But all countries - industrialised, developing and former communist states in transition to market-based economies - must work hard to stay competitive and participate in the economic revival.

Because nations are in very different stages of growth and development, the advice dispensed in the Outlook is almost as varied as the IMF's 178 members.

Each of the three groups of nations analysed includes some that are doing well and some that are doing badly. Some of the most pertinent parts of the 200-page report tell the laggards how to improve their performance.

The main industrial countries are at different stages of the business cycle but should come closer to convergence in 1995. The US is growing strongly and the UK and Canada are recovering well. But while the output decline in continental Europe and Japan "may have come to a halt, prospects for a meaningful recovery are still fragile".

Recovery is not expected to set under way in Germany before the middle of this year, where the IMF has cut its forecast of growth this year to 0.7 per cent from 2 per cent last October, it says margins of slack could grow further.

The cost of the House version has already risen above \$23bn. Although it provides for fewer new police officers, it adds an extra \$10.5bn to help states build more prisons of their own.

The IMF hopes for a "continued cautious but significant lowering" of German

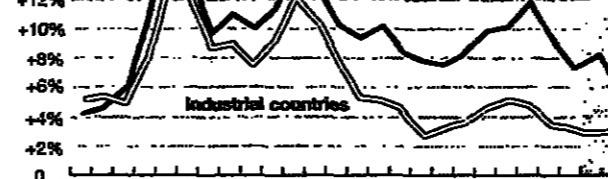
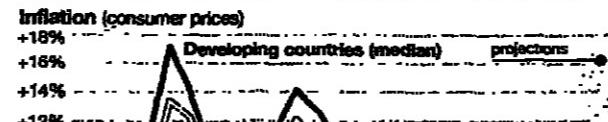
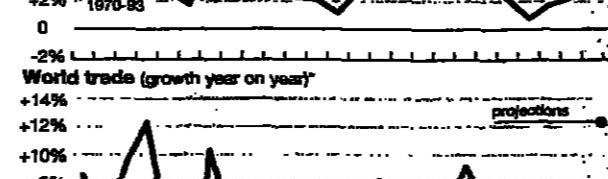
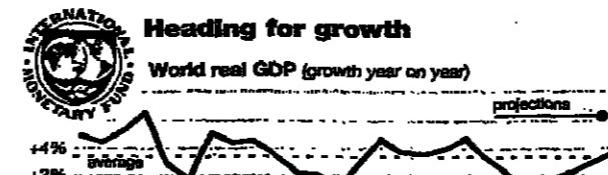
short-term interest rates. It calls on Japan to deregulate and open its home market to increase living standards and consumer confidence.

All industrialised countries are urged to use the forthcoming period of economic expansion to reduce their budget deficits and push through fundamental labour market reforms. The recent increase in long-term rates could be a signal that extra efforts are needed to cut budget deficits, it says.

The Fund calls on the US to act, warning that a continuing structural deficit of 2 to 3 per cent of gross domestic product could impede "business investment, job creation, future growth and improvement in the external position". The report, written before this week's increase in US short-term interest rates, approves of the monetary tightening initiated in February. Further action "would seem appropriate".

The developing nations fall into two camps. There is a fast-growing successful majority that are building on macro-economic stability, good governance and market-oriented policies and achieving added dynamism through increased trade with each other. There is also a group of low-growth, poor laggards whose problems are "truly daunting" but not hopeless.

There is no easy solution to the problems of the slow-growing developing nations, many of which are in Africa. But the Fund cites high and variable inflation, overvalued currencies, excessive fiscal deficits and import controls as factors



* Excluding trade among countries of the former Soviet Union and the Baltic states

sia and most of the former Soviet republics, are experiencing a continued deterioration in economic conditions.

The IMF believes the process

of transition is "the most important respects, essentially irreversible". But the very expansionary monetary and fiscal policies pursued by countries such as Russia, Ukraine and Belarus, have not mitigated the large declines in output associated with the process of transition. Instead, they have aggravated already difficult economic and social conditions by fueling near hyperinflation that has stimulated capital flight and deterred foreign investment.

The IMF partly blames the lack of progress towards macro-economic stabilisation in Russia and other former Soviet republics on a lack of sufficient adjustment at company level and the failure of the authorities to resist demands from industry and agriculture for large-scale financial support.

In spite of these problems,

the IMF forecasts that the

world economic growth will

quicken to 3 per cent this year

from 2.3 per cent in 1993 and

accelerate further to 3.7 per

cent in 1995. While growth in

the industrialised nations is

forecast at around 2.5 per cent

this year and next, the IMF

expects the developing world

will grow by nearly 6 per cent.

As a group, the transition

countries are expected to

return to growth of 1.4 per cent

next year compared with an

anticipated drop in overall out-

put of 6 per cent this year.

World Economic Outlook 1994, to be published next month

Interest rate caution urged on Britain

By Peter Norman
in Washington

Britain should be cautious in cutting interest rates and should not take yesterday's news that the budget deficit undershot its 1993-94 target as a signal for an easier fiscal policy, the IMF says.

The Fund's latest World Economic Outlook suggests that a further easing of UK financial conditions might be possible in the light of considerable slack in the economy and the tax increases this year.

But it says that Britain should wait for "firm evidence" that inflation is well on course towards its medium-term target of 1.2-1.5 per cent before any further cuts in interest rates.

Further moves to consolidate in the UK and the other big industrialised countries.

"Prospective budgetary imbalances will continue to absorb significant shares of domestic saving," the IMF warns. Its projections showing that Britain will have the second highest budget deficit as a share of gross domestic product among the Group of Seven countries both this year and next should do nothing to encourage talk of tax cuts in this year's Budget.

Instead, the IMF believes that tax increases taking effect this month have helped to improve the British policy mix and should not hurt the recovery.

Although it has revised downwards its expectation of UK growth this year to 2.5 per cent from last October's 2.8 per cent, the momentum of recovery should be sufficiently strong to allow output to rise by 2.5 per cent next year.

By that time, the Fund hopes that Britain will be able to benefit from recovery in its important European export markets.

The IMF notes that recovery so far has been mainly supported by private consumption and that exports have made only a small contribution.

Although the Fund expects inflation, as measured by the retail prices index excluding mortgage interest rates, will ease slightly next year to 3 per cent from 3.2 per cent this year, this will be somewhat higher than the average consumer price rise in the industrialised countries. Recent wage settlements "raise the risk" that inflation may have bottomed out.

The IMF expects employment in Britain will grow by 0.6 per cent this year and by 0.8 per cent in 1995, helping to bring the annual unemployment rate down to 9.8 per cent next year from 10 per cent this year.



Mussa: pointed to higher growth expectations in the US

Cuban exiles go home for talks

By Canute James in Kingston

Cuba's economically embattled government will try to mend fences with its nationals living abroad when it meets leaders of exile groups in Havana for a three-day conference starting tomorrow.

The agenda includes immigration, human rights and travel, but will not include political issues, according to the Cuban Foreign Ministry.

The ministry, which arranged the conference, said it intended to "normalize links with overseas Cubans". It is expecting about 200 participants, mainly from exile communities in the US, Europe and Latin America.

The government says it has invited representatives of exile groups which have been opposed to President Fidel Castro's administration, saying that these "hysterics" had "excluded themselves" by supporting the US economic blockade of the Caribbean island.

and by advocating foreign intervention in Cuba's domestic affairs.

Those invited are representatives of exile groups which have not been openly hostile to the Castro government, those which have advocated an end to the economic embargo and a normalization of relations between Washington and Havana, and supporters of the Cuban government.

Diplomats in Havana said yesterday that the government's intention was to bring together all shades of opinion which were not hostile to the administration, and to try to develop a more solid and influential lobby for an end to the economic embargo. The meeting is likely to end with a call for a thaw in relations between Washington and Havana.

The decisions of the representatives of some Cuban exile leaders to accept Havana's invitation have divided the exile communities, particularly in Florida.



HAVE YOU THOUGHT OF LEAVING US SOME OF YOUR NEST EGG?

By remembering us in your Will, you'll be remembered the whole RAF family.

Not just aircrew, but ground staff, too.

Serving RAF members, as well as ex-RAF.

Their spouses and their dependent children.

Every year, more and more people urgently need our help.

Please help ensure that we are always there to take them under our wing by making a donation now and by remembering us in your Will.

COMRADES IN ARMS SHOULD BE COMRADES IN ALMS

IC: The Royal Air Force Benevolent Fund, PO Box 9040, Farnham, Surrey GU10 4NA. Charity Reg No. 202227

I would like to make a donation of £ _____ by postal order/cheque (make payable to The Royal Air Force Benevolent Fund)

Please charge my Access/Visa/American Express/Diners Club Number _____ Expiry date / _____

Please send details of making a legacy/covenant _____

Please send information on making a Will

NAME _____

ADDRESS

NEWS: UK

● Annual growth in average earnings increases ● Unemployment falls ● Upbeat survey of employers

Recovery pointers damp rate cut hopes

By Philip Coggan
and Richard Donkin

Further evidence of a buoyant UK recovery yesterday reduced hopes of an early interest rate cut.

Financial markets were upset by an increase in the underlying rate of annual growth in average earnings from 3.2 to 3.5 per cent in January and February, which was seen as a signal of inflationary pressures.

A fall in unemployment and an upbeat survey from the British Chambers of Commerce represented further evidence of economic recovery. Traders assumed that Mr Kenneth Clarke, the chancellor of exchequer, would be less likely to sanction a reduction in base rates from 5.25 per cent. The

FT-SE 100 Index dropped 29.7 points to 3,088.3 by the day while the June long gilt future fell by more than a point.

The number of people out of work and claiming benefits fell by 30,300 in March to 2,722,600 on a seasonally adjusted basis. At 9.7 per cent of the workforce, unemployment is at its lowest level since June 1992. On an unadjusted basis, the fall was 63,968 to 2,777,545.

Most of the jobs being created were either part-time or in self-employment. Between March and December 1993, the number of part-time workers rose by 162,000, while those in full-time work fell by 124,000.

The Department of Employment also published figures showing that, at the end of 1993, 326,000 more people were in work than had previously been estimated.

A change in the method of compiling the statistics, designed to reflect the growth of the service sector and of small companies was responsible for the revision.

Good news on employment also came from the chambers of commerce survey which showed service and manufacturing companies plan to take on more staff over the next three months. The survey showed that employers' optimism about jobs and investment intentions is the highest since the recession began.

However, Mr John Prescott, the shadow employment spokesman, accused the government of grossly underestimating the real level of unem-

ployment which he claimed was running at 5m. This figure takes in an additional 2.2m people who say they would like to work but are not actively looking for work.

At the rate that unemployment was falling, he said, "it would still take the best part of eight years to get to the level of unemployment the Tories inherited in 1979".

Meanwhile, figures showing that the public sector borrowing requirement for 1993-94 was much lower than had been forecast at the time of the Budget provoked calls for the recent round of tax increases to be reversed.

The Central Statistical Office said the PSBR for 1993-94 was £45.8bn, compared with the earlier government forecast of £49.8bn. But the

Treasury said that the improvement was due to one-off factors, such as greater than expected debt repayments by local authorities.

Mr Michael Portillo, chief secretary to the Treasury, said that the figures should not lead people to conclude that this month's tax increases would be reversed. "The urgency of bringing borrowing fully under control remains as it was," he said.

A report from the International Monetary Fund yesterday reinforced Mr Portillo's view, arguing that further moves to cut the budget deficit would be needed in the UK. The IMF said the government should wait for firm evidence that inflation was falling to the 1.5 per cent range before making a further interest rate cut.

Red faces over white cliffs of Dover

By Philip Stephens,
Political Editor

The Government's plan to mark the 50th anniversary in June of the D-day Normandy landings with a programme of nationwide celebrations was last night turning into a public relations fiasco. Dame Vera Lynn, the war-time singer and "forces sweetheart", reinforced the backlash against the alleged trivialisation of the anniversary by suggesting she might withdraw from the centrepiece of the celebrations.

Responding to a demand from the Normandy Veterans association that the government scrap a planned jamboree in London's Hyde Park, Dame Vera said her attendance would be conditional on the veterans' approval.

Amid a mounting backlash from organisations representing soldiers who took part in the allied invasion of France in 1944, Downing Street sought to limit the political damage by distancing Mr John Major from the detailed planning.

But Field Marshall Lord Bramall, cited earlier in the week by Mr Major as a key supporter, indicated he was among those unhappy with the carnival-style approach.

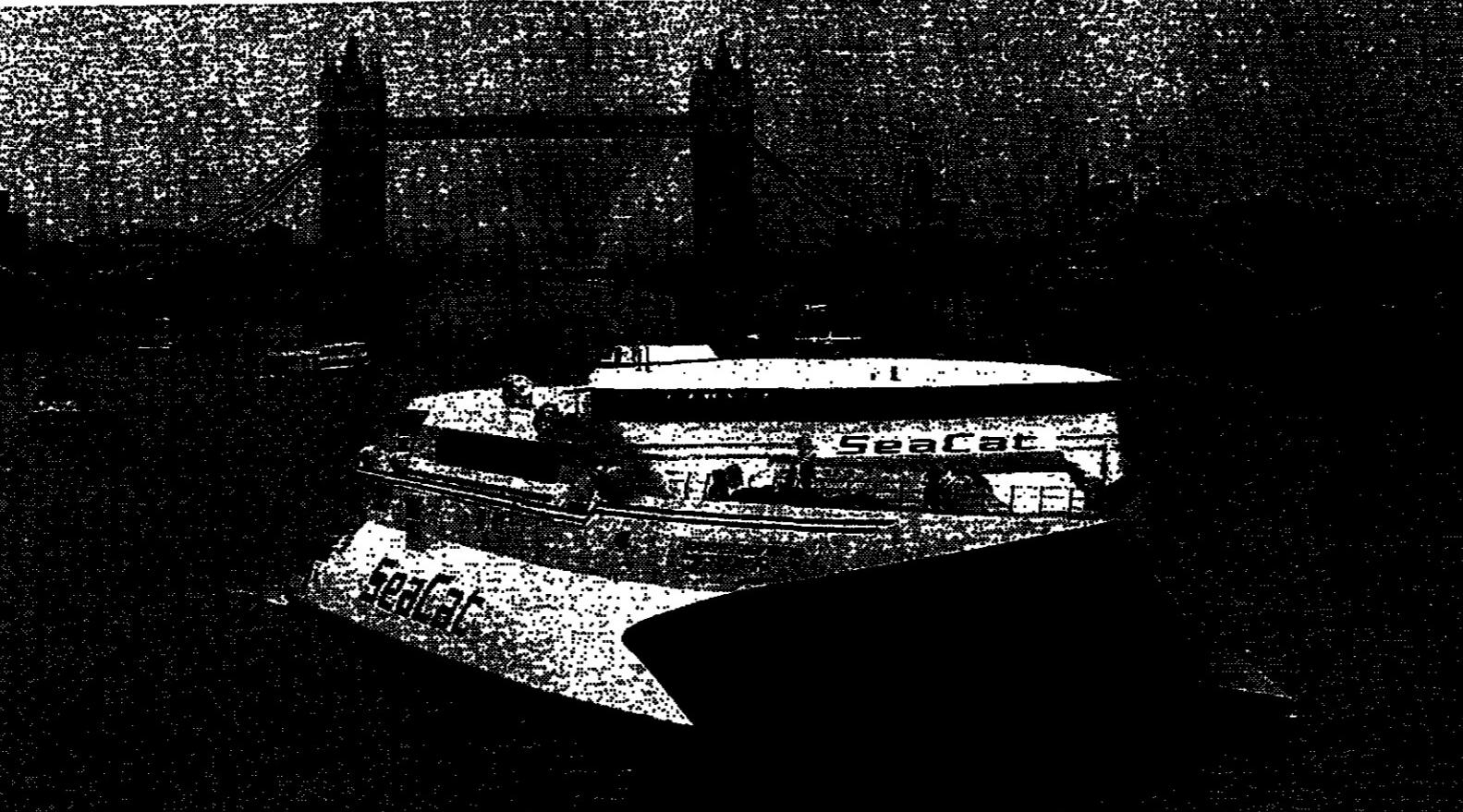
The furore also saw an outbreak of Whitehall infighting between the ministry of defence, responsible for the military commemorations, and the heritage department, which is co-ordinating civilian celebrations.

Defence blamed the heritage department for failing to take sufficient account of the sensitivities of veterans before announcing plans for street parties, competitions and other events to recreate the mood of the 1940s.

The veterans insist such activities would detract from the solemn nature of the anniversary. Some 37,000 soldiers died and 200,000 were wounded before the allies wrested back control of Normandy from occupying German forces.

Downing Street insisted that the idea that the whole nation should be involved in marking the anniversary has attracted widespread public support.

But mindful of the potential political damage to the prime minister, officials stressed that Mr Major had not been involved in the detailed planning. The officials added there was still scope for changes meet the concerns of veterans. One suggestion - backed by Lord Bramall - was that the Hyde Park event might be postponed until next year's 50th anniversary of the allied victory in the war.



More frequent sailings, increased capacity and expanded tax-free shopping are planned by the ferry operator Hoverspeed, in an attempt to win increased custom before the launch of full Channel tunnel service later this year, Charles Batchelor writes.

Hoverspeed, which operates fast SeaCat ferries and hovercraft on short-sea crossings between Britain and France, has increased capacity of its SeaCat Great Britain, pictured on the Thames yesterday, from 450 to 600 passengers. It has also increased return sailings

on the Folkestone-Boulogne route from four to five a day.

Two additional steering jets have been added to the SeaCat to improve manoeuvrability while improvements are planned to its control system to give a smoother ride.

Meanwhile, agreement has been reached with Rolls Royce for the supply of hovercraft spares. With a 35-minute journey time and a 50-minutes motorway to autoroute time hovercraft will be faster than the Channel tunnel, Hoverspeed said.

Picture: PAUL WEBB

Wellcome critic in court over £250,000 payment

By John Mason
and Robert Peston

A health charity official who has persistently criticised the activities of Wellcome, the drug manufacturers, and is charged with demanding £250,000 with menaces from the company, appeared yesterday at London's Horseferry Road magistrate's court.

Mr Michael Wolfe, the executive officer of the Herpes Association, was remanded on unconditional bail until committal proceedings later in the spring.

The charge against Mr Wolfe relates to the payment of £250,000 in cash passed to him by a senior Wellcome executive.

But mindful of the potential political damage to the prime minister, officials stressed that Mr Major had not been involved in the detailed planning. The officials added there was still scope for changes meet the concerns of veterans.

One suggestion - backed by Lord Bramall - was that the Hyde Park event might be postponed until next year's 50th anniversary of the allied victory in the war.

Zovirax is Wellcome's biggest selling product by a significant margin, accounting for more than a third of its £2bn annual turnover.

In September, it launched an over-the-counter version of the drug in cream form, for the treatment of cold sores. It spent an estimated \$4.5m on the launch.

The Herpes Association has accused Wellcome of "hype and misinformation" to exaggerate the threat posed by the virus and so promote its product. It has argued the Herpes virus is an extremely common condition with less serious implications for carriers than Wellcome publicity material suggests.

Mr Wolfe has been an executive officer of the Herpes Association since 1985. The association's main work is to counsel herpes sufferers. It has also promoted research saying that the use of Zovirax for facial cold sores offers only marginal benefit.

Reporting restrictions in the case have been lifted at the request of Mr Wolfe. This move was opposed by Wellcome.

Hoover free flight offer cost company £48.2m

By Roland Adburgham, Wales and West Correspondent

Hoover's ill-fated "free flights" promotion has cost the company £48.2m, far more than it originally feared.

Early last year, Maytag, the company's US parent, took a £30m charge (then about £20m) to cover the costs of the promotion, launched in autumn 1992.

People who bought Hoover products costing £100 or more were offered two air tickets to continental Europe or the US. Hoover was swamped by the response and thousands of customers complained they were unable to obtain the flights they wanted.

Hoover, based at Merthyr Tydfil, south Wales, said yesterday the total cost was now put by Maytag at \$72.6m.

It said the extent of the problem had not been known when Maytag originally set aside £30m. Under the offer, 220,000 people had already flown or were booked to do so by the end of this month, when the main promotion closes.

Everyone who followed the rules and the conditions will have been offered flights," it said.

Three senior executives lost their jobs over the promotion and a taskforce of 250 people was set up to handle the flight applications. Two tour operators were put under contract to

make bookings. Mr Richard Rankin, co-chairman of the taskforce, said: "We have devoted enormous resources, both financial and human, to resolving the situation."

About 70 claims for compensation have been brought against Hoover under the small claims procedure. Hoover said it had lost about 20 per cent of the cases.

An action group of dissatisfied Hoover customers intends to send a delegation to Maytag in Iowa tomorrow. But Maytag said it saw no purpose in such a meeting. In February, Maytag reported that Hoover Europe had lost £6.9m in the final quarter of last year.

'Progress made' towards end of Malaysian ban

By Kieran Cooke
in Kuala Lumpur

British officials say considerable progress has been made towards lifting Malaysia's ban on giving government contracts to British companies, but they believe it will be some time before trade relations between the two countries are back to normal.

Lord Cranbourne, the junior defence minister, has been in Kuala Lumpur for talks with Mr Najib Abdul Razak, the Malaysian defence minister.

"I have had some very constructive negotiations," Lord Cranbourne said. "I don't want to get into details of how the matter is going to be resolved. It is a matter of some delicacy, but we hope an accommodation will be made before too long."

Mr Najib said the ban "could not be lifted overnight".

Malaysia announced the ban in February in retaliation for unfavourable British press reports about Malaysia - in particular about its prime minister, Dr Mahathir Mohamad.

British companies say Britain could lose millions of pounds worth of contracts in Malaysia if the ban continues.

Since a memorandum of understanding on defence sales was signed between Malaysia

and Britain in 1988, British defence companies have sold £1.5bn of equipment to Malaysia, including 28 British Aerospace Hawk aircraft and two frigates.

More than 60 British defence companies are attending a defence exhibition being held this week in Kuala Lumpur.

British companies have been told that they are not being considered in prequalification applications to bid for construction of a £2.5bn international airport being built outside Kuala Lumpur. They are also likely to lose contracts in Malaysia's fast-expanding power sector.

Mr Anwar Ibrahim, Malaysia's deputy prime minister, said this week it would take time for the ban to be lifted.

Dr Mahathir has said the ban will stay until the British press "stops telling lies". In particular he wants an apology from the Sunday Times for publishing a story suggesting that a British company offered him bribes in exchange for a government contract.

"Much nonsense has been talked about Malaysia in the British press," said Lord Cranbourne. "We must not let the press come between old friends."

By Alison Smith

The number of reports to UK authorities about suspected money laundering activities has more than doubled within two years, from 5,000 in 1991 to 12,700 in 1993. About 80 per cent of such reports come from the four main clearing banks and the TSB.

At the start of a three-day meeting of the Financial Action Task Force, which was set up in 1989 to provide a multilateral response to the threat posed by the growth of international money laundering, UK agencies involved in combat-

ting money laundering said that enhanced awareness of the problem had contributed to the rise in reports.

The UK agencies expect a further sharp rise in the number of reports made this year, in the wake of further tough regulations about disclosure of suspicions about money laundering which came into effect at the beginning of this month.

They added, however, that there were signs that some "dirty" cash was being withdrawn from the UK because Britain had tightened up its response to money laundering.

This question of displace-

Money laundering reports double between 1991-93

ment was highlighted by Mr Kenneth Clarke, the chancellor of the exchequer, as one of the reasons why the international role of the task force was so important.

"Of course, even firm government action, if it is carried out in isolation, carries the risk that the launderers will simply move their activities elsewhere," he said. "This was why the task force had reacted by promoting a coordinated action against the processes of 'dirty' money."

Some 26 governments are involved in the work of the task force.

up to 100 helicopters is one of the army's priorities. Attack helicopters are now considered with tanks as the main battlefield offensive weapons.

The invitation to Denel comes at a time of increasing defence links between the UK and South Africa. Britain is to help train the new South African army.

South Africa is also thought by analysts to have a requirement for 6 corvette ships. When the arms embargo is lifted Swan Hunter on Tyneside might be in the running to build the ships.

However, the South African Rooivalk is not considered one

of the front runners for the helicopter order. Favourites with the army is thought to be the US Apache, which would be manufactured in the UK by Westland under licence from McDonnell Douglas. The Apache is proven with the US military, but while more versatile and modern would be more expensive than other options.

The main alternatives are the Tiger, backed by British Aerospace and Eurocopter; and the Bell Cobra, which is supported by GEC-Marconi. The Boeing-Sikorsky Comanche and the A-129 from Agusta of Italy are also under consideration.

Britain in brief

Steep fall in Nissan's UK profits



British Coal is offering miners

a lump sum of £6,000 for radical changes in working practices which will for the first time allow them to work weekends and extend the maximum roster shift from 7½ to 12 hours.

The offer - one of the most generous of its type in British industry - is being opposed by unions including the Union of Democratic Mineworkers which says it provides inadequate compensation for miners to apply for generous redundancy payments.

Call for duty cut dismissed

A Treasury minister yesterday poured cold water on the idea that the government might cut the duty on alcoholic drinks as a means of recouping revenue lost through cross-border trade.

Speaking at a drinks conference in London, Sir John Cope, Paymaster General, said: "If we were to sharply cut the rate of duty, there is no way we would get back more than a fraction of the millions of lost revenue back from increased UK sales."

Since the introduction of the European single market at the start of last year, the amount of beer and other drinks imported by shoppers from the continent has increased sharply.

Barrage deal reported close

The European Commission is believed to be close to lifting its objections to the Cardiff Bay barrage after assurances by the government that it will do more to offset the habitat for a number of wading birds.

Mr Griffiths said late last week that his first priority was to clinch a trading relationship with Jungheinrich, which last week bought Steinbock Boss, Lancer Boss' German unit, from a German receiver.

It blamed the decision on old-fashioned machinery and infrastructure, along with severe problems encountered in updating the technology.

About 70 claims for compensation have been brought against Hoover under the small claims procedure. Hoover said it had lost about 20 per cent of the cases.

An action group of dissatisfied Hoover customers intends to send a delegation to Maytag in Iowa tomorrow. But Maytag said it saw no purpose in such a meeting. In February, Maytag reported that Hoover Europe had lost £6.9m in the final quarter of last year.

Names seek legal actions

An increasing number of aggrieved Lloyd's Names are examining taking individual legal action in the wake of last week's successful court cases by two loss-makers.

Mr David Tipplady solicitor with DJ Freeman, said he has begun proceedings on behalf of six new Names in the past few days. "The level of interest has been phenomenal," said Mr Tipplady, who represents about 50 individual Names.

"Quadratus". A solid gold watch with the dial engraved in the "Clou de Paris" pattern.

CORUM
Maitres Artisans d'Hor

THE QUEEN'S AWARDS

FOR EXPORT, TECHNOLOGY & THE ENVIRONMENT 1994

Hopes rise, but no room for complacency

Although exporters are more optimistic about future prospects, writes Andrew Baxter, the widening trade deficit in the first three months of this year is a worrying trend

After three years of recession that has touched most sectors of industry and commerce, today 165 British companies, at least, have something to crow about.

The companies are the winners of the 1994 Queen's Awards for export, technological and environmental achievement and the latest awards take to 3,506 the number of winners since the scheme was inaugurated in 1966.

The export achievements come against a background of rising optimism about prospects in export markets such as North America, which has been out of recession for the past year, and long-term growth opportunities in Asia - which many of the winners have been exploiting successfully.

This is offset by continuing depressed conditions in continental Europe, which for many companies is the biggest export market.

The awards for technology and environmental achievement, meanwhile, underline the continuing relevance of maintaining investment in research and development - whatever the current market conditions - to ensure that British companies have the products to exploit the opportunities in the global marketplace.

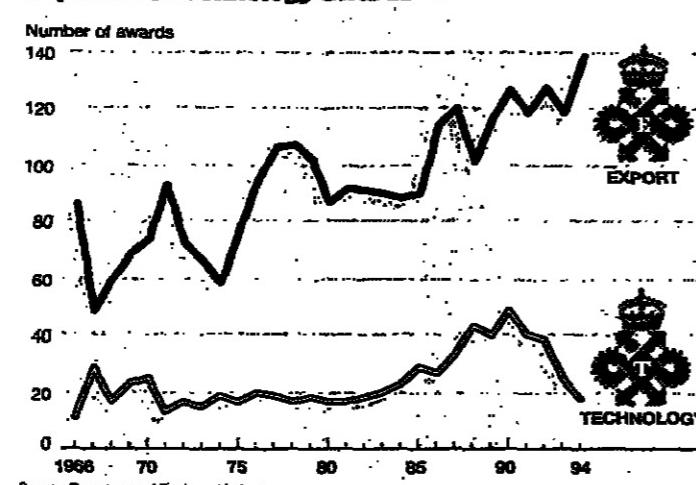
This year's awards come as the importance of manufacturing's contribution to national wealth seems to be better understood in government than it was, say, five years ago.

Exporters, too, are generally much more positive about the help received from the government than they were two or three years ago.

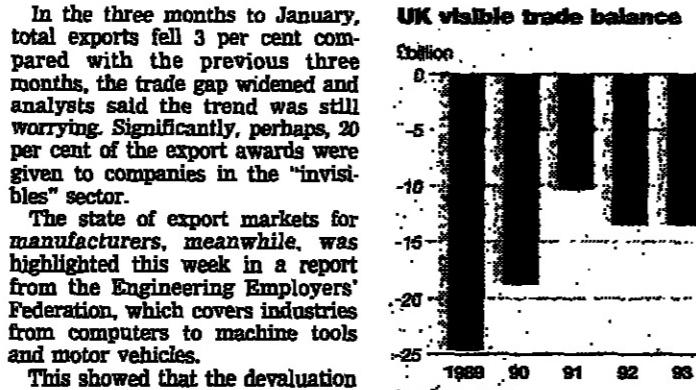
The most recent trade figures, showing a sharp fall in the January visible deficit from £1.57bn in December to seasonally adjusted £916m, was immediately welcomed by Mr Richard Needham, trade minister, as "a very encouraging start to the year".

But there is little room for complacency with a visible trade deficit of £13.4bn both last year and in 1992.

Export and technology awards



Source: Department of Trade and Industry



Source: Department of Trade and Industry

total exports fell 3 per cent compared with the previous three months, the trade gap widened and analysts said the trend was still worrying. Significantly, perhaps, 20 per cent of the export awards were given to companies in the "invisibles" sector.

The state of export markets for manufacturers, meanwhile, was highlighted this week in a report from the Engineering Employers' Federation, which covers industries from computers to machine tools and motor vehicles.

This showed that the devaluation of the pound in autumn 1992 has boosted UK manufacturers' competitiveness and market share, albeit unevenly against different national competitors, but underlined the sharp differences in outlook in different export markets.

While the US economy is growing strongly, the Japanese economy is still weak, while continental Europe, which accounts for 60 per cent of UK trade in engineering products, is forecast to make only a slow recovery this year.

From the point of view of the trade deficit, this makes it all the more important that UK companies can continue to succeed on the continent.

With the UK out of recession but its principal market still in it, a surge in consumer spending at home could further increase the deficit.

The EEF believes engineering exports will rise by about 6 per cent in the 18 months from the second half of 1993 to the first half of 1995.

In fact, the drop can be explained mainly by a sharp fall-off in the number of applicants for environmental awards, perhaps inevitable given that 1993 was the first year and only 12 out of 240 applicants



as European markets begin to recover, and says automotive and electronic products will do particularly well. But imports are forecast to rise by 10 per cent.

The difficulties in European export markets would appear, at first glance, to explain why the total number of applications for awards dropped this year from 1,822 in 1993 to 1,682.

Companies, after all, do have to demonstrate a "substantial and sustained increase in export earnings to a level which is outstanding for the products and services concerned, and for the size of the applicant unit's operations".

In fact, the drop can be explained mainly by a sharp fall-off in the number of applicants for environmental awards, perhaps inevitable given that 1993 was the first year and only 12 out of 240 applicants

struck gold. This year, just eight out of 183 applicants proved successful.

In contrast applications in the export category actually rose from 1,230 in 1993 to 1,246, while technology applications slipped from 352 to 303.

Recession in Europe may have offset the competitive edge offered to UK exporters by the weaker pound, but it is not the only difficulty they face. It has emerged in the past few days, for instance, that the government has been tightening export regulations, possibly preempting some of the recommendations of the Scott arms-for-Iraq inquiry.

In a move that particularly affects machine tools builders, the Department of Trade and Industry has briefed companies in recent weeks on the new regulations, which

mainly involve applications for licences on potentially defence-related dual use goods.

A further challenge, linked partly to the latest and previous UK recession, is the question of how to react to permanent decline in the domestic markets that often provide a base for export success.

The strength and reliability of the home market has, after all, been the cornerstone of much of Japanese industry's export achievement coupled, of course, with its relative impenetrability for would-be importers.

Two examples linked to the coal industry show the importance of responding promptly when the home market for a product is undergoing fundamental change, or simply disappearing.

Among the technology award winners, Leicestershire-based Dunn

Systems faced the need to adapt and innovate because of the decline of its business selling conveyor systems to the coal industry. Badly mauled by the 1984/85 miners' strike, it has hit back with the high-speed Wagtail pack orientation system for the food and drink industries.

From the export award winners, Motherwell-based Anderson Group, which produces mining equipment, has more than doubled exports in the past two years, reflecting its success in replacing a declining home market with new business overseas. The traditional base of export markets has also been augmented by success in new countries.

A further challenge in export markets is to rise above controversy. Export award winner McKee Food Service, based in Milton Keynes, supplies frozen beef hamburgers to McDonald's. In spite of adverse publicity for British beef because of BSE disease, the company doubled its exports between 1989 and 1992.

The export awards represent a wide range of industrial sectors, though four have done particularly well: pharmaceuticals, telecommunications, electrical and transport. The technology awards represented 10 industrial sectors, while the environment awards represented seven.

Although the awards are for UK companies, 19 per cent of the winners had foreign associations of some kind, about the same as last year.

The breakdown was as follows: 20 per cent of the export award winners had foreign associations, 17 per cent of the technology winners and 12 per cent of the environment winners.

Overall, the awards show the continuing vitality of smaller companies. Companies with fewer than 50 employees scooped up 24 per cent of all awards, although their performance varied considerably in the three sectors.

In the export section they won 26 per cent of the awards, compared with 6 per cent in technology and 20 per cent in the environmental section.

The largest winning company is Swiss-owned Nestlé UK with 20,000 employees and the smallest winners are Mondbury, a London-based maker of dresses and skirts for the "mature woman", and Tritech International, Aberdeen-based producer of subsea electronics and robotics, with six employees each.

Additional reporting by Motoko Rich



Great Business for Britain.

Great Brands.

Kit Kat - Quality Street - After Eight
Carnation - Friskies - Chambourcy
Findus - Crosse & Blackwell



Great Company.

Nestlé UK are particularly proud to be recipients of the Queen's Award for Export Achievement 1994, and thank all our staff and suppliers for their continued dedication to excellence.

NESTLE UK LTD, ST GEORGE'S HOUSE, CROYDON, SURREY CR9 1NN

A Global VIEW.

At a time when every telecommunications company wants to go global.

Cable & Wireless is distinguished by having been global for over a century.

Today, we provide international services for some 30 countries and internal networks for over 20 countries.

We also manage our own global network, including the world's first fibre optic cable to connect the major business centres of Europe, North America and the Pacific Rim.

As deregulation proceeds, so our experience and success is making us the natural choice for newly liberalised services.

Our determination to be the best in every field in which we operate has only been made possible by our people, who are constantly innovating to meet the challenges of change.

Serving our customers well has proved to be the key to benefiting our shareholders, our employees, and ultimately the societies in which we operate.

For further information, call 071-315 4000.



THE QUEEN'S AWARDS 1994

The Queen's Awards for Export Services

Name	Locality	Goods and services exported	Name	Locality	Goods and services exported
A					
A B S Electronics	Bangor, Co. Down, N Ireland	Electronic card access and control systems	Loch Fyne Oysters	Calmowd, Argyll, Scotland	Smoked salmon, other smoked fish & fresh oysters
Abbott Laboratories	Queensborough, Kent	Pharmaceuticals and healthcare products	Lombard Risk Systems	London E.C.4	Financial software systems
Alan Group	Horsham, W Sussex	Mould tools and progression dies	M		
Allsafe	Woking, Surrey	Special structures	J&S Scientific	Portsmouth, Hants	Contact lenses
Allied Distillers	Dundee, Angus, Scotland	Scotch whisky	Macphie Export (A Division of Macphie of Glenrothes)	Stonehaven, Kincardineshire, Scotland	Baked concentrates and mixes
Anderson Group	Mutherswell, Lanarkshire, Scotland	Mining equipment	Madge Networks	Chalfont St. Giles, Bucks	Local area networking products
Applied Implant Technology	Horsham, W Sussex	Semi-conductor equipment	Marathon Bitting	Fochdale, Lancs	Woven industrial fabrics
Audio Processing Technology	Belfast, N Ireland	Audio equipment	Metra Mercuri Space UK	Poole, Dorset	Electronic equipment for the space industry
B			McCormick (UK), Food Service Division	Paisley, Renfrewshire, Scotland	Sealants, seal closures and proprietary
J Barbour and Sons	South Shields, Tyne and Wear	Oiled-cotton clothing	McKey Food Services	Milton Keynes, Bucks	Flame retardants
Beardow & Adams (Adhesives)	Milton Keynes, Bucks	Hot melt adhesives	Memco	Maidenhead, Berks	Fried hamburgers and sausageburgers
Beautimetic International	London Colney, Herts	Perfumes and deodorants	Mondbury	London E.1	Safety systems for lift doors
Bechtel	London W.8	Engineering and construction contractors	Munitek Industrial Generators	Loughborough, Leics	Drives and elevators
Biwatex Pipes, Division of Biwater Industries	Chesterfield, Derbyshire	Industrial piping systems	N		Generating sets
Bonas Machine Company	Gateshead, Tyne and Wear	Electronic textile machinery	Nestlé UK	Croydon, Surrey	Confectionery, milk products and other foods
Brewing Products (UK)	Kirkliston, West Lothian, Scotland	Home brewing products and malt extracts	Newport Components	Milton Keynes, Bucks	Electronic components
Bridon Wire	Car Hill, Doncaster, S Yorks	Steel wires and strands	Nissan Motor Manufacturing (UK)	Sunderland, Tyne and Wear	Motor vehicles
John Brown Engineering	Clydebank, Dunbartonshire, Scotland	Industrial gas turbines	Norbrook Laboratories	Newry, Co. Down, N Ireland	Veterinary pharmaceutical products
Burton's Gold Medal Biscuits	Edinburgh, Scotland	Biscuits and confectionery	Norfrist	Castledore, Caithness, Scotland	Chest freezers and cheese coolers
C			Novocastra Laboratories	Newcastle-upon-Tyne, Tyne and Wear	Immunodiagnostic reagents
CRP Marine	Skelmersdale, Lancs	Subsea and surface buoys	Ove Arup Partnership	London W.1	Consulting engineers
Cable and Wireless	London W.C.1	Telecommunications services	P		
Camtex Fabrics	Workington, Cumbria	Non-woven linings and footwear	PBT International	Chelmsford, Essex	Electronic imaging materials
Centurion Furniture	Preston, Lancs	Leather upholstered 3 piece suites	PFB International		Automotive timing systems and forms
Cherry Valley Farms	Rothwell, Lincs	Frozen duck by-products and breeding stock	Parker Plant	Leicester, Leics	Crane and lifting equipment
Ciba Pigments, Division of Ciba-Geigy	Paisley, Renfrewshire, Scotland	Organic pigments	Philips Telecom-Private Mobile Radio	Cambridge, Cambs	Crash and impact plant for road construction
The Cobb Brewing Company	Orpington, Essex	Broiler breeding stock	Piping Business	Arundel, W Sussex	Radio pages
Consett Carrol Holdings	Skelmersdale, Lancs	Toiletries and fragrances	Photon Controls	Hythe, Kent	Fire detection and control systems
Co-Mac	Gloucester, Glos	Orthopaedic devices	Potex	Yeadon, Leeds, W Yorks	Single-use plastic medical devices
Coulter Electronics	Luton, Beds	Biomedical and particle size electronic expt.	Premier Hazard Systems (UK)		Vehicle-mounted emergency/warning equipment
Crossbow Optical	Cratloevoan, Co. Armagh, N Ireland	Ophthalmic lenses and spectacle frames	Q		
Crown Fabrics	Uckfield, E Sussex	Fabrics, wallpaper and home furnishings	Queen Mary and Westfield College, University of London	London E.1	Teaching and research
Cruschem	Glasgow, Scotland	Instruments and reagents for DNA synthesis	R		
Curdworth International Machine Tools	Sutton Coldfield, W Mids	Machine tools	RS Components	Corby, Northants	Electrical, electronic and mechanical components
D			R T A Wind Rack Company	Fakenham, Norfolk	Wire racks
Davy McKee (Sheffield), Ashlow Guides Division	Sheffield, S Yorks	Rolling mill guide equipment for rod, bar and section mills	R W S Group	Garside Cross, Bucks	Technical & legal translation and information research
Thomas De La Rue and Company	Dunstable, Beds	Printed ID documents, bearer securities, cheques	Renoil Tolerance Rings (A Division of Lushay Plastics and Engineering)	Horfield, Bristol, Avon	Spring steel fasteners
Security Print (UK)	Droitwich Spa, Worcester, Worcs	Precision castings	Rosin Engineering Company	Stourbridge, W Mids	Drying, cooling and heating equipment for the chemicals and food industries
Derford Precision Castings	Ashton, Birmingham, W Midlands	Machine tools	S		
Dunbar & Cook Machine Tools			S C-A Nutrition	Thirsk, N Yorks	Project feeds
E			Scientific Software Intercomp (UK)	Egham, Surrey	Computer software and consulting services
EMI Records UK (EMR)	London W.1	Sale and licensing of recorded music	Semefab (Scotland)	Glenrothes, Fife, Scotland	Integrated circuits
Edme	Merstham, Essex	Matt products	Serco Europe, Division of Serco International	Southall, Middx	Support services to space operations and research organisations
Elli Optics	Llantrisant, Mid Glamorgan, Wales	Overhead projectors and visual aid equipment	SmithKline Beecham Pharmaceuticals Int., (A Division of SmithKline Beecham)	Brentford, Middx	Pharmaceuticals
Environmental Resource	London W.1	Environmental consulting services	Snap-Drop Europe	Leominster, Hereford	Table-sliders and conference cloths
t/a Environmental Resources Management	Riccarton, Edinburgh, Scotland	MBA distance learning courses	Shred & Wilcox	Pettsfield, Hants	Television standards converters
The Esme Fairbairn Research Centre			Softex	Reading, Berks	Textile originating equipment
F			Span Metal Products	Drapetown, Co. Londonderry, N Ireland	Steel storage equipment
Fibre Techniques	Holywell, Clwyd, Wales	Converted ceramic fibre products	Stannah Stairlifts	Andover, Hants	Electrically powered stairlifts
Fine Fragrances and Cosmetics	Hampton, Middx	Toiletries and cosmetics	String Cookies Insurance Brokers	London E.C.3	Insurance brokers
Finessa	London W.1	Ladies separates	Tony Stone Associates	London NW.1	Stock photographs
FormFlo	Cheltenham, Glos	Cold rolled metal components	Verte	Briarley Hill, W Mids	Electric wheelchair, scooters and lifts
G			Sunrise Medical	Poole, Dorset	Luxury powerboats
GEC ALSTHOM T&D Protection & Control	Stafford, Staffs	Protective relays and systems	Sunseeker International (Boats)	Lindsey, Huddersfield, W Yorks	Speciality steel wire
Gamebre Cartridge Company	Hull, Humberside	Sporting ammunition	Taylor & Francis	London W.C.1	Publisher of books and journals
Genczyme	Haverhill, Suffolk	Diagnostic enzymes and substrates, pharmaceuticals & chemicals	Tecnic Group	Barton-on-Trent, Staffs	Recessed car and light van tyres
Graff Diamonds	London W.1	Diamond and gem set jewellery	Tensator	Milton Keynes, Bucks	Constant force springs
Private Patients Unit, Great Ormond Street Hospital for Children, NHS Trust	London W.C.1	Private health care services	Andy Thornton Architectural Antiques	Reproduction decorations and antiques	
Gulford Europe, Automotive Business Unit	Somercotes, Derbyshire	Fabrics for use in automotive original expt.	Tesco Euro	Elstree, W. Yorks	Removals, storage and freight forwarding
H			Tittech International	London N.W.10	Incoming tour operator
Hall Foods International	Belfast, N Ireland	Dried milk powders	United Distillers	Kingswells, Aberdeen, Scotland	Subsea equipment
Frederick Hamerton (Nottingham)	Nottingham, Notts	English pub package	International Banking Information Systems		
Hefera Laboratories (UK)	Gateshead, Tyne and Wear	Medical diagnostic kits	International Mining Consultants		
Hilti Industries (GB)	West Bromwich, W Midlands	Construction industry fixings	International Oil Insurers		
HIT Electronics	London W.1	Distribution/licensing of television progs.	Inveresk Research International		
Honda Motor Europe	Reading, Berks	Motor vehicles	Ives Valves - Division of Alexander Controls		
Horton Kirby Paper Mills	Denford, Kent	Wallpapers	J		
Ilmor Engineering	Brierton, Northants	Motor racing engines	JCB Hydraulics	High Wycombe, Bucks	
Institute College of Science, Technology & Medicine	London S.W.7	Teaching and research	Johnson & Higgins Holdings	Sutton-in-Ashfield, Notts	
Insignia Solutions	High Wycombe, Bucks	Computer software	James Johnston and Company of Elgin	London W.C.2	
International Banking Information Systems	London W.C.2	Computer software consultancy and training	Johns of Elgin	Sutton-in-Ashfield, Notts	
International Mining Consultants	Sutton-in-Ashfield, Notts	Consultants to the mining industry	K		
International Oil Insurers	London E.C.3	Insurance	Newton Abbott, Devon	Tranent, East Lothian, Scotland	
Inveresk Research International	London E.C.3	Scientific contract research	Newton Abbott, Devon	Birmingham, W Midlands	
Ives Valves - Division of Alexander Controls	Birmingham, W Midlands	Instrumentation valves	L		
J			W B B Devon Clays	Newton Abbot, Devon	
JCB Hydraulics	Rugby, Staffs	Hydraulic excavators	Wade Furniture	Leeds, W Yorks	
Johnson & Higgins Holdings	Elgin, Morayshire, Scotland	Insurance and reinsurance broking	Watkins Automation	Sandy, Beds	
James Johnston and Company of Elgin	Elgin, Morayshire, Scotland	Cashmere and woolen goods and fabrics	Willet International	Corby, Northants	
K			Williams Grand Prix Engineering	Didcot, Oxfordshire	
K S Process Engineering	Newton Abbott, Devon	Machinery for the manufacture of soap	F G Wilson (Engineering)	Lame, Co. Antrim, N Ireland	
t/a Britannia Soap Machinery Company	Havant, Hants	Small electrical household appliances	W		
Kewood Appliances		Insurance brokers	ZENECA Pharmaceuticals	Macclesfield, Cheshire	
L		Control line and cable protectors	Zeus Aluminium Products	Dudley, W Mids	
LPH Pitmen	London E.C.3				
Lasalle Engineering, Products Division	Inverurie, Aberdeenshire, Scotland				

Having 900,000 customers worldwide has its rewards



RS Components Limited, Birchington Road, Welling, Kent, TN27 9HS Telephone: 0536 201234

© An Electrocomponents Company

Parker
Plant Limited



Parker Plant Limited is proud to announce it has been awarded The Queen's Award for Export Achievement 1994.

We thank our many Customers in 140 Countries across five continents, staff and workforce, our Agents and Distributors all of whom have helped us to gain the greatest accolade a Company can receive.

Parker Plant progress has been formidable during the 1990's. In addition to becoming a Worldwide leader in the manufacture of rock crushing and asphalt coating plant for the quarrying, construction and re-cycling industries, it has supplied all the recent major installations in the United Kingdom.

The Company's Leicester based Sales Team control a Worldwide network of Agents and Distributors backed by a dedicated Team of 400 Employees, highly skilled in design and manufacturing techniques, including apprentice and operator training and on-site services.

'British Manufacturing and Private Enterprise at its Best'



Contact: Customer Services

Parker Plant Limited

P. O. Box 146, Canon Street, Leicester, LE4 6HD

Telephone: (0533) 665999 Facsimile: (0533) 681254 Sales Facsimile: (0533) 610812



NORFROST LIMITED,
MANUFACTURERS OF
DOMESTIC FREEZERS,
COMMERCIAL COOLERS AND ICE
CREAM CONSERVATORS, IS
HONOURED TO ACCEPT THE
QUEEN'S AWARD FOR EXPORT
ACHIEVEMENT.
WE WOULD LIKE TO THANK
OUR EMPLOYEES AND
CUSTOMERS FOR THEIR PART
IN THIS SUCCESS.

NORFROST
Murrayfield, Castleford, Caithness, Scotland
Tel: 0847 82 333 Fax: 0847 82 291

If you think your company's good enough to appear on next year's page, here's the form.

As you can see, winning a Queen's Award is big news for any company, large or small. If you think you've got what it takes, write your name and details in the space below.

We'll reserve you an application form immediately.
Write to The Queen's Awards, Merit House, Timothy's Bridge Road, Stratford-Upon-Avon, Warwickshire CV37 9HY.

Please reserve me an application form for the following Award(s):

Export Technology Environment

Completed forms must be received by 31st October 1994.

Name _____ Position _____

Company Name _____

Business Address _____

Postcode _____ Tel No _____



THE QUEEN'S AWARDS 1994

Lisa Wood looks at five UK colleges and universities which are exporting their knowledge around the world

Individuals from such far-flung corners as Alaska and China are among those currently matriculated as part-time post graduate students of Heriot-Watt University in Edinburgh, one of five colleges and universities to have received the Queen's Award for Exports.

It is the first time that the Esme Fairbairn Research Centre at the University of Heriot-Watt has received the award. Similarly, it's a first award for the Queen Mary and Westfield College at the University of London, the University of Buckingham and Unived Technologies, the commercial arm of the University of Edinburgh.

However, it is a second award for the Imperial College of Science, Technology and Medicine in London which has been involved in educating overseas students since its founding in 1907.

For all five institutions growth in overseas earnings - from both fees from foreign students and contracts for research - have been the result of strategic planning and considerable marketing effort.

The Esme Fairbairn Research Centre has been operating since the mid 1970s. In October 1990 it was the commercial arm of the university and markets research and development, consultancy and training services.

The Centre, which gains

most of its earnings from overseas, produces and distributes Master of Business Administration (MBA) degree programmes, texts and software. It also arranges for the sitting of examinations in 184 centres throughout the world. Since its introduction the MBA distance learning programme has attracted 8,000 students from 110 countries.

Professor Keith Lumsden, director of the Centre, said the training packages are entirely self-contained, requiring no live tuition. "It is one of the biggest business schools in the world," he says.

At present all the tuition is in English, with papers marked in Scotland. The Centre is considering offering the MBA in Chinese and Spanish. But, Professor Lumsden said courses in a foreign language afforded

Even if a sister body could be recruited abroad to mark the papers significant number of scripts would have to be translated and re-marked by outside examiners in order to ensure consistency in standards.

Unived Technologies is a similar commercial venture at the University of Edinburgh. Set up in 1984, it is the commercial arm of the university and markets research and development, consultancy and training services.

Viewed by subject, informa-

Lessons for foreign students



Field study: Dr Ray Hall and Dr Philip Ogdon of Queen Mary and Westfield College

tion technology is the most successful research area but Unived has also won contracts in faculties of science and engineering, medicine, veterinary medicine, arts, social sciences and law.

The company's export earnings have increased two-and-a-half times over the past three years.

The Imperial College of Science, Technology and Medicine in London, by contrast, has been earning a significant part of its income

from overseas fees for many years and holds the 1990 Export Award.

Dr Tim Seller said the college recruits about 20 per cent of its students from abroad, particularly from the Far East, the Americas and Europe. At present they make up some 1,400 of the college's intake of 5,300.

"We recruit up to the government's imposed limits upon students in the UK," he said. "But, ever since we were founded in 1907 a basic part of

our mission has been to be involved in overseas education."

Imperial had made substantial increases in its numbers of foreign students said Dr Seller, with active marketing to young people who would be making their selection from the world's most prestigious institutions in sciences and engineering in particular.

An equally strong marketing effort overseas is being made by Queen Mary and Westfield College, the fourth largest constituent college of the University of London. Some 34 per cent of its students come from more than 100 overseas countries.

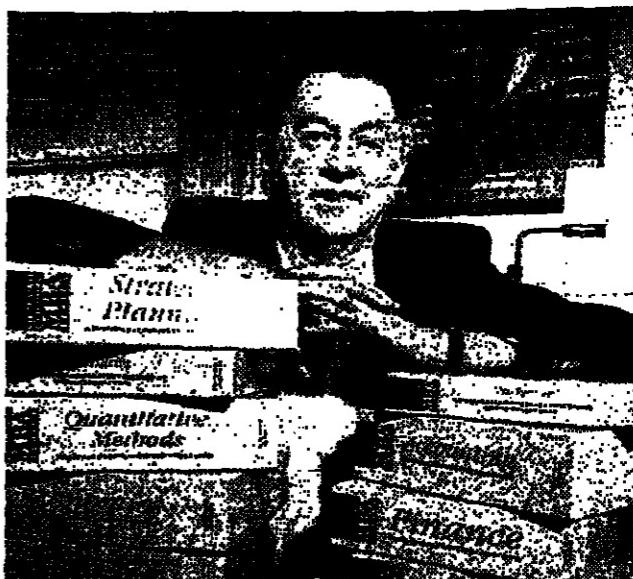
The College said: "There has been a steady increase in the college's fee income from overseas students during the past six years, despite the competitive market."

The college currently attracts nearly £7.5 million a year from abroad for courses, educational services and research.

The college attributed its success in recruiting overseas students to several factors. They included offering degree courses in specialist areas such as commercial law; offering a modular programme of study; a dedicated international office to promote courses and the provision of a range of support services including an English language and study skills unit and guaranteed housing for international students.

A wide range of programmes and a two-year honours degree are among the attractions to overseas students at the University of Buckingham which was founded in 1976.

The university is the only independent one in the UK and does not receive direct



Créme de la créme: Prof Keith Lumsden, Heriot-Watt University

students of whom 60 per cent are from overseas, with over 80 nationalities being represented," he said.

"We believe that, with our two-year degree, we do have something very special to offer overseas students."

"British students benefit from this multicultural atmosphere and the alumni have an extensive global network. We are very proud of this award."

Lisa Wood



Now image: Tony Stone and some of his top selling photos

Tony Stone Images sells photographs around the world

The picture of success

A picture may be worth a thousand words, but sometimes it can be worth thousands of pounds.

Tony Stone Images, a photographic stock library, sold one image - which pictured the silhouettes of a group of business men walking across a map of the globe - 300 times in 1992 for a total of £20,000.

Tony Stone, which supplies photographs to the advertising, design, publishing, travel and printing industries, has built its business on multiple sales of a core collection of 20,000 images, a fairly small number for an international photo-library.

"We determined that the best thing to do was to understand what subjects our clients wanted and find the very best possible examples of those images," said Mr Simon Thorley, group managing director.

With 75 per cent of its revenue earned outside the UK, Tony Stone is one of the few non-manufacturing, creative services companies to win a Queen's award for export this year.

The company is among the top five photolibraries in the world, and the largest in the UK. Tony Stone's 1988 turnover was £18.5m and the company expects to bring in more than £20m in 1994. Its growth from an annual turnover of £3.5m in 1988 is primarily due to international revenue.

When photographer Tony Stone founded the company in 1969, he peddled pictures around Europe, where the market was primarily for photos on "chocolate boxes and greeting cards". He began thinking about expanding the company's international market about 10 years ago.

In 1984, Tony Stone acquired a small Paris-based photography agency. Since then, acquisition has been the company's international strategy.

This strategy really took off in 1987 when Mr Stone sold 20

per cent of the business to Si, the venture capital enterprise. In 1988 Tony Stone used the money from Si's investment to buy a Chicago-based photo agency which serves the publishing industry in the mid-west of the United States. It has since made four more investments in Tony Stone.

From Chicago, Tony Stone built up its North American business which is now the company's most competitive single market. It has a turnover of \$10.5m (£7.1m).

The company now has wholly-owned offices in London, Paris, Munich, Los Angeles, Chicago, New York, Seattle and Toronto, and agencies that represent it in 15 other countries.

Five hundred photographers actively take pictures for the company, while another 500 are on the books. Tony Stone recruits photographers who are willing to take the photographs that the company's clients demand, and the photographer earns 60 per cent of the profit of the sale of an image.

Clients actually buy specific reproduction rights of the pictures they select, and must use them only for the purpose designated.

Looking to the future, Tony Stone plans to invest in digital technology to enhance its products and its distribution to clients.

With such technology, along with a software programme designed especially for Tony Stone, the company hopes to expand its products to include other intellectual property, such as film, illustrations and music.

On the expansion front, the company is also looking eastward. "We are not as strong as we would like to be in Asia," said Mr Stone. "We are now committed to an Asian strategy whereby we became a major presence from Korea to Japan."

In 1984, Tony Stone acquired a small Paris-based photography agency. Since then, acquisition has been the company's international strategy.

This strategy really took off in 1987 when Mr Stone sold 20

Ten large Scotchies and two large gins. Quite a celebration.

The famous names at the foot of the page will be familiar to you.

Since 1986, we have more than doubled our marketing investment to build them into famous worldwide brands.

Our exports have grown by more than 60%.

(We sell 10 million cases a year of Johnnie Walker Scotch Whisky alone.)

Our profitability has grown. And now we are pleased and honoured to win the Queen's Award for Export.

Yet another boost to our spirits.



BELL'S, BLACK & WHITE, BUCHANAN'S, CARDHU, DEWAR'S, HAIG DIMPLE, JOHNNIE WALKER, OLD PARR, VAT 89, WHITE HORSE, GORDON'S AND TANQUERAY.
UNITED DISTILLERS PLC, REGISTERED OFFICE, DISTILLERS HOUSE, 33 ELLERSLY ROAD, EDINBURGH EH12 6JW. REGISTERED IN SCOTLAND. NUMBER 758.

UNITED
DISTILLERS

Motoko Rich

THE QUEEN'S AWARDS 1994

James Buxton examines five companies which are leading Scotland's export drive

The two biggest companies in the Scotch whisky industry, United Distillers and Allied Distillers, have won awards for export achievement.

United Distillers is the whisky and gin subsidiary of Guinness and is the giant of the whisky industry, accounting for 38 per cent of the industry's exports in 1992. It was born in 1986 from the takeover of Distillers by Guinness, which had earlier absorbed Bell's.

Allied Distillers is part of the Hiram Walker group, the wines and spirits arm of Allied-Lyons. It began operating in its present form in 1988.

Its export sales in 1992 accounted for 7.8 per cent of the industry's total exports.

As any expert on the whisky industry will tell you, it is the malt whisky distilleries which have the cachet and the romance, but the grain distilleries which produce the large volumes: the vast majority of whisky is a blend of grain whisky with dashes of a number of malts.

Allied has 14 malt distilleries, 12 of them in the Highlands and two on the island of Islay; it also has two grain distilleries, the Strathclyde and Dumbarton distilleries. The company has annual turnover

of more than £230m. In the past three years Allied's exports increased by 250m to £270m, a rise of 16 per cent, constituting its claim to the award.

"Our most successful brands are Ballantine's, Teacher's Highland Cream, Long John and our Islay single malt Laphroaig," says Mr Paul Hick, Allied's marketing director.

Ballantine's Finest is the leading brand in western Europe, particularly in Spain where sales have increased by

an average of 20 per cent a year and where the brand now claims a quarter of the whisky market. According to Allied, Ballantine's Finest is the third largest brand worldwide with export sales of nearly 5m cases a year. Teacher's, a well known brand in the UK, is also a leading brand in Commonwealth countries, especially Australia and Canada. It is also expanding in Germany where it is the third best selling brand (with Ballantine's the leading brand).

Whatever people thought of the Guinness takeover of Distillers few doubt that it was a positive development for the industry. Guinness shook up the individual companies that comprised Distillers, rationalised distilling, bottling and distribution, and centralised marketing and export operations.

Mr Alan Gray, the noted whisky analyst who is now with the Edinburgh stockbrokers Sutherland and Partners, pointed out in his 1988 Scotch whisky review that United Dis-

tillers controls more than 25 per cent of Scotland's malt whisky distilling capacity, 31 per cent of its grain distilling capacity and had 38 per cent of the export market for blended Scotch whisky.

United Distillers plays a big role in Scottish life through its chairman Lord Macfarlane of Bearsden (who chaired Guinness itself after Ernest Saunders was ousted in 1986). It has 27 malt distilleries and two grain distilleries and two grain distilleries, Cameron Bridge in Fife and Port Dundas

in Glasgow.

United Distillers won the Queen's export award for its export performance over the past six years, during which its sales outside the UK grew by 10 per cent a year. Over that period United Distillers sold 22m worth of whisky and gin.

United Distillers produces Johnnie Walker, the world's leading whisky brand which alone sold more than 12m cases in 1988, accounting for one in every five bottles of whisky exported from Scotland. The company's other popular whisky brands include Bell's, Dewar's, and White Horse. It also makes Gordon's

and Tanqueray gin, with Gordon's alone representing around 50 per cent of all gin exports.

Broken down by country, the Guinness subsidiary has seen big increases over the past six years in its sales to countries such as Spain (17 per cent), Germany (20 per cent) and Turkey (25 per cent), with particularly fast growth coming from the small Paraguay market (30 per cent).

In Italy, United Distillers brands saw their sales grow by eight per year and in Japan, where whisky producers are still fighting discriminatory tariffs, by 6 per cent.

ANDERSON GROUP

Forcing the pace of change

Anderson Group, the mining equipment manufacturer, has shrugged off the severe blow to its business caused by the rundown of the British coal industry by making a greater success of the export markets which have always featured strongly in its operations.

The company, a subsidiary of Charter, formerly Charter Consolidated, claims to have about 50 per cent of the world mining equipment market which is open to western competitors.

Last year it won a large order for equipment from China and Mr Alasdair MacLachlan, chief executive, says Anderson is "by far the market leader in China". Anderson's exports have doubled in the past two years.

The company, based at Motherwell near Glasgow used to be called Anderson Strathclyde and in 1982 employed 4,400 people worldwide, of which about 3,000 were in the UK. Successive restructuring to improve efficiency and match the rundown in the British coal mining industry have taken the payroll down to 900, of whom 600 are in the UK. 90 per cent of them are now self-employed for their own after-sales service and marketing.

"We are making relatively high-tech equipment which is going into a very aggressive environment," says Mr MacLachlan. "The technology has changed in the past 10 years. The equipment is more reliable, more hard working and more powerful. The ability to steer and control it has improved and we use gamma radiation to locate the coal seam." "The improvements in the equipment reflect what the industry wants," he says.



Water bed: an oyster farm in Loch Fyne. After harvesting, they are shipped off to Hong Kong

LOCH FYNE OYSTERS

Serving seafood to the Far East

Once a week a consignment of oysters, smoked salmon and other Scottish seafood leaves Loch Fyne in Argyllshire to be airfreighted to Hong Kong. There, the delicacies are eaten in leading hotels and an oyster bar, and are supplied to delicatessens.

Loch Fyne Oysters, a business founded in 1978 by Mr Johnny Noble and Mr Andrew Lane to assist the former's Highland estate, now claims to be the market leader for smoked salmon in the British colony. "The export initiative began

about eight years ago with a British Overseas Trade Board-sponsored mission.

"We met Mr Andrew Smith, the Scot who manages the Hong Kong Hilton, and he pointed us to the big distributors," says Mr Lane. "That man should get a knighthood for what he does for Scottish companies."

Loch Fyne Oysters rears oysters and other shellfish in the clear waters of the eponymous loch.

But it is primarily a smoking business, smoking farmed salmon, eels, kippers and trout

which it buys from local producers.

The business will have turnover of almost £4m this year and intends to expand by 25 per cent a year over the next four years.

"Rearing shellfish is a credibility thing," says Mr Lane, managing director. "If you produce oysters people realise your fish are fresh. We are perceived as handling the fresh end of seafoods."

Another crucial ingredient is being located in the Scottish Highlands, he says. "Many UK smokers hint at a Highland or

a Scottish location in their names even if they are based somewhere else. We are genuine."

Loch Fyne Oysters employs 42 full-time staff at Cairnwo, Argyllshire, and also runs three oyster bars and seafood restaurants in England.

About 40 per cent of the company's turnover is exported, with the Far East its main market.

Mr Lane said: "We are flirting with Taiwan at the moment." But Loch Fyne also sells in Italy, Germany, France and Luxembourg.

Norfrost is the creation of Mrs Pat Grant and her husband Alex who established it in 1972. She supplies the entrepreneurial drive and he the technical expertise which enables Norfrost to produce successful designs at economic prices.

The company, which employs about 300 people, concentrates on only one basic product which is assembled on a large production line.

Its freezers and coolers are basically the same: the only difference between them is in the type of thermostatic controller.

Norfrost has major customers on its books. It supplies Coca-Cola with coolers which the drinks company provides to its retailers. It also sells to manufacturers such as Zanussi and Hitachi which sell the machines under their own labels.

Its largest markets are the US and France, as well as Germany, Italy, Japan, Saudi Arabia, Egypt and eastern Europe.

After completing a three-year £5m factory extension last year, Mrs Grant announces further expansion plans which would create a minimum of 120 new jobs within the next two-and-a-half years. She hopes to employ 1,000 people by the end of the decade.

Mrs Grant's achievements have already been honoured by the Businesswoman of the Year award 1988 and the Women Mean Business Award.

Part of Norfrost's achievement is in braving on the disadvantages of its remote location.

If it does this through vertical integration it makes its own production tools, carries out its own maintenance and has its injection moulding company.

To ensure that its trucks return fully laden it provides a haulage service for other businesses in Caithness.

L.P.H. Pitman Limited is proud to receive The Queen's Award for Export Achievement. In accepting this prestigious award there are a few people we would like to thank...

**L.P.H. Pitman Limited**

Insurance Brokers to the Finance Industry

St Michael's Rectory, St Michael's Alley, off Cornhill, London EC2V 9DS. Tel: 071 283 9831. Fax: 071 283 9839. Telex: 8952051



FORMFLO

... leaders in cold roll forming technology



THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT

Transmission products for the motor industry

Formflo Limited
Lansdown Industrial Estate,
Gloucester Road
CHELTENHAM GL5 1 PW, England
Tel: (0242) 224644
Fax: (0242) 221002

This award recognises the company's ability to sell successfully its publications internationally and is a credit to its employees, representatives, agents and bookellers.

Taylor & Francis
Published since 1798

SCIENTIFIC AND TECHNICAL PUBLISHERS SINCE 1798
TAYLOR & FRANCIS LIMITED IS PROUD TO ANNOUNCE THAT IT HAS BEEN GRANTED THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENTS 1994

WHY NOT JOIN IN OUR SUCCESS?

Taylor & Francis Limited consistently achieves an exceptionally high level of exports and distributes successfully for a number of other publishers. We are interested in investing in other publishing business wishing to expand their markets.

This award recognises the company's ability to sell successfully its publications internationally and is a credit to its employees, representatives, agents and bookellers.

Taylor & Francis Limited, 4 John Street, London WC1N 2ET. Telephone 071 405 2237; Fax 071 831 2035

Johnstons OF ELGIN

CASHMERE AND FINE WOOLLENS SINCE 1798

NEWMILL, ELGIN
MORAY IV30 2AF
Tel: 0543 554000
Fax: 0543 554055

160 NEW BOND STREET
LONDON W1Y 9PA
Tel: 071 409 7058
Fax: 071 409 7981

FIBRE TECHNIQUES LIMITED
Unit 34, Greenfield Business Park
Greenfield, Holywell, Cheshire CH8 7HJ
Tel: +44 832 712331 - Fax: +44 832 712324

Manufacturers and Suppliers of High-Tech, High Temperature, Ceramic Fibre Products for the Automotive, Domestic Heating Appliance, Pharmaceutical and Other Industries Approved to BS 5750: Part 2, ISO 9002 & EN 2902

macphie
Macphie of Glenbevie Ltd. are an innovative family business. Our unique manufacturing facilities create a wide range of ingredients for the Bakery, Food Manufacturing and Food Service industries. The Citation states "it produces UHT savoury and sweet sauces, and dairy cream alternatives, an area in which it is an European leader."

We could not have received this award without the tremendous support of our valued customers. To you all our very sincere thanks.

THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT 1994

Macphie Export Ltd.
A Division of Macphie of Glenbevie Ltd.
Glenbevie, Sannaviken, Kincardineshire, AB3 7YE
Tel: 0599 740641 Fax: 0599 740677

THE ESMEK FAIRBAIRN RESEARCH CENTRE HERIOT-WATT UNIVERSITY, EDINBURGH
is proud to receive
THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT 1994
for
Heriot-Watt University
MBA by Distance Learning

The only Master of Business Administration available entirely by distance learning. Launched in 1990, over 8,000 students in 100 countries are now following this unique programme.

Published by Pitman Publishing. For further details please contact:
128 Long Acre, London WC2E 9AN. Tel: 071 579 7383 Fax: 071 579 7377

THE QUEEN'S AWARDS 1994



More power to his arm: David Bevan tests his malted wheat flakes

Malted health drinks

In the highly competitive food and drink ingredients sector, flakes don't usually last. But for Edme, the malt and malted ingredients manufacturer, flakes have brought the company great success, and this year, a Queen's Award for export achievement.

Mr David Bevan, managing director of Edme heads the Essex-based company which has increased its exports by 400 per cent in the past five years.

Exports to more than 35 countries, predominantly in North America and Europe, accounted for one third of the company's £9m turnover in 1993.

Edme was founded in 1884 along the River Stour at Mistley, Essex, and 120 employees still work on that 4.5-acre site today.

Edme was incorporated into the Anglia Maltings Holdings group in 1972 and the company began expanding into markets in North America and Europe in the late 1980s.

During the 1980s, the company bought the Tom Caxton brand of home brew kits from Colmans and the Sparklets company, which produces soda siphons for the drinks industry, from the British Oxygen Company.

Now the company supplies

barley malt extracts to the brewing, bakery and breakfast cereal industries, malt flours for the biscuit and bakery industries and produces a canning line for the production of home brew kits.

Edme also manufactures malted wheat for the increasingly health conscious food industry and speciality syrup-based products for brewers.

Although Edme is one of the smallest malt producing companies, it plans to move into Middle Eastern and Asian markets.

Motoko Rich

APV's hot competition

APV Baker, a subsidiary of food processing equipment group APV, shares a Queen's Award for Technology for the commercial development of ohmic heating.

APV Baker secured a licence for the system from EA Technology in 1984 and spent millions of pounds turning it into a commercial product which was launched in the late 1980s.

The technology has been showered with awards over the last few years yet in spite of its significant advantages over existing heating processes APV has sold only £5m worth of

equipment so far.

APV blames conservatism in the food industry.

"The western food giants are approaching it with caution though the Japanese have seized on it," said a spokesman.

Among the 13 installations ordered worldwide six have been sold in Japan. These include the Wildfruit Products Division of Nissel which supplies the Japanese market with processed fruit for use in bakery and dairy products.

The only commercial scale installation in the UK is at Deeside-based Sous Chef, a

company formed specifically to capitalise on the new technology which was recently acquired by Heinz.

The other installations and the identity of the "dozens" of food manufacturers that are evaluating the technology are confidential.

Even the UK food manufacturer which worked with EA and APV on the technology remains anonymous. "No-one wants their competitors to know what they are doing," said APV.

David Wighton

D&C D&C D&C D&C D&C D&C D&C

D&C D

John Griffiths assesses the dominant role the UK plays in motor racing

JCB

Trio get the chequered flag

Three export achievement awards in the motor sport sector go to Williams Grand Prix Engineering, race-engine designer and manufacturer Ilmor Engineering and precision casting specialists Zeus Aluminium Products, underlining the dominant role played by the UK in the world motor racing industry.

The industry accounts for more than three-quarters of all the world's single-seater racing car production; behind closed doors, it designs, develops and builds many of the cars raced or rallied by leading Japanese, German and other foreign car makers under their own names; it has an annual turnover of more than £1bn (of which exports account for more than 40 per cent) and employs around 50,000.

Unlikely as it may sound, a diet of pasta, coffee and cigarettes had helped the Williams grand prix team, which employs more than 200 and is one of the top names in motor sport, collect its second award for export achievement since managing director Frank Williams founded the team at Didcot, Oxfordshire, in 1976.

This year's award is based on the fact that Williams Grand Prix Engineering, six-times winner of the Formula One constructors' world championship, derives 70 per cent of its £20m quoted turnover from non-UK companies taking advertising space on its 700 horsepower, Renault-powered projectiles which carried Frenchman Alain Prost to his fourth world driver's championship title – and gave Englishman Damon Hill his grand prix debut – last year.

That the Italian companies Divella (pasta maker), Segafredo (coffee) and tobacco multinational Rothmans are prepared collectively to spend millions to put their names on Williams' race cars might sound just cause for shareholder apoplexy – until global TV viewing figures are taken into account.

On average, each of last year's 16 grands prix was watched by more than 43m in 12 countries. Williams' and a handful of other grand prix teams can attract particularly large sums because TV cameras almost invariably spend



Victory salute: Williams driver Damon Hill after one of his grand prix wins last year

most time focused on the front-runner.

Thus in fact, if not in name, the award is also a recognition of the engineering technology which for years has kept Williams at the front of the grand prix field, despite a poor start to the current season.

In addition to their livery on the grand prix cars, overseas sponsors also capitalise on Williams' name in active marketing of their products or services. Renault has taken advantage of Williams' cachet, as well as its engineering capabilities, to launch a limited production version of its Clio hatchback – the Clio "Williams".

Erickson, Northamptonshire-based Ilmor Engineering is not quite such a "household" name, but has made a substantial impact in both grand prix and IndyCar racing since it was founded in 1984.

This season in particular, its engines have swept the Penske IndyCar team to victory in the first two races of North America's premier motor racing championship, leaving 1993 IndyCar champion Nigel Mansell's Lola Ford Cosworth in their wake. It is indicative of the extraordinary strength of the UK motor industry that almost every car on the championship's grid – including Penske – is British-made. Lola itself is a past export award winner and has won the past

five IndyCar championships in succession.)

Meanwhile, the black Sauber-Mercedes cars have become a familiar sight to grand prix watchers – except that grand prix' camshaft covers, complete with three-pointed stars, lies not Mercedes' mechanicals but Ilmor's. And when Mercedes makes its scheduled entry into IndyCar racing as well in 1995, that engine, too, will be an Ilmor.

Like many other leading car makers engaged in motor sport, Mercedes is using Ilmor not just because of the depth of its engineering expertise but because its relatively small size – fewer than 150 employees – gives it the speed and flexibility of response needed in motor racing and which it is very difficult for a large company to achieve.

It is entirely engineering driven – its co-founders Mario Ilmor and Paul Morgan are both former Cosworth engineers.

Such is the closeness of the association between Ilmor and the German manufacturers that Mercedes has taken a 25 per cent stake in the company formerly held by General Motors' Chevrolet division. Longer term, it could lead to Ilmor-based high performance versions of some Mercedes cars.

Zeus Aluminium Products is on a yet smaller scale, employing 16 at its plant in Dudley, as well as its engineering capabilities, to launch a limited production version of its Clio hatchback – the Clio "Williams".

Erickson, Northamptonshire-based Ilmor Engineering is not quite such a "household" name, but has made a substantial impact in both grand prix and IndyCar racing since it was founded in 1984.

This season in particular, its engines have swept the Penske IndyCar team to victory in the first two races of North America's premier motor racing championship, leaving 1993 IndyCar champion Nigel Mansell's Lola Ford Cosworth in their wake. It is indicative of the extraordinary strength of the UK motor industry that almost every car on the championship's grid – including Penske – is British-made. Lola itself is a past export award winner and has won the past

five IndyCar championships in succession.)

Meanwhile, the black Sauber-Mercedes cars have become a familiar sight to grand prix watchers – except that grand prix' camshaft covers, complete with three-pointed stars, lies not Mercedes' mechanicals but Ilmor's. And when Mercedes makes its scheduled entry into IndyCar racing as well in 1995, that engine, too, will be an Ilmor.

Like many other leading car makers engaged in motor sport, Mercedes is using Ilmor not just because of the depth of its engineering expertise but because its relatively small size – fewer than 150 employees – gives it the speed and flexibility of response needed in motor racing and which it is very difficult for a large company to achieve.

It is entirely engineering driven – its co-founders Mario Ilmor and Paul Morgan are both former Cosworth engineers.

Such is the closeness of the association between Ilmor and the German manufacturers that Mercedes has taken a 25 per cent stake in the company formerly held by General Motors' Chevrolet division. Longer term, it could lead to Ilmor-based high performance versions of some Mercedes cars.

The castings company turned over £3.5m last year, and Mr Harpin forecasts that it will exceed £4m this year. "We want to be a £10m-a-year company by 1996," he maintains.

Simply commanding JCB, the Midlands based manufacturer of construction equipment, for winning two Queen's Awards would be only to scratch the surface of what many in the construction plant sector will undoubtedly acknowledge is a remarkable achievement.

It is not so much that the company has scooped two Queen's Awards in one year for the second time – JCB Hydrapower has received an export award for its mini-excavator range and the backhoe loader division of JC Bamford Excavators has won a technology award – but more the way it has achieved its goals.

When JCB Hydrapower entered the mini-excavator market (a segment of the industry for diggers up to six tonnes operating weight) with its own product in 1989 the news prompted mixed reactions from the competition.

JCB had built its reputation on the success of its now famous backhoe loader digger.

The mini-excavator market, however, was saturated with well-established brand names, many belonging to Japanese manufacturers which had built up big sales in their domestic market. By the late 1980s they were feeding European customers from factories within the European Union.

But JCB had identified a growth market and the company argued that the mini-excavator was a natural extension of the backhoe loader concept, the cornerstone of the

Earthmovers scoop awards

ative of the equal-sized wheel, all-wheel steer 4CX which cost around £4m to develop and was launched three years ago.

A backhoe loader digger, the 4CX combines the stability of a rigid chassis machine with the manoeuvrability of its articulated competitors through the introduction of four wheel steer and four wheel drive.

The Servoplush version was developed some 18 months ago at a cost of about £150,000. The Servo system itself – joystick controls built into the armrests which allow the operator to control many functions with fingertip movements rather than moving levers – is not new but JCB has developed what it claims is a unique double command servo system which allows the operator to drive and operate the machine from two standard operating positions.

The machine was developed initially for the demanding conditions experienced in the Nordic countries, a small but technically sensitive market. Since the introduction of the Servopush, JCB's market share in the Nordic countries has increased from 14 per cent to 25 per cent. Dr Henry Shirman, managing director of the backhoe loader division, says the Servopush machines have generated interest in other technically sensitive but much larger markets such as Germany, France and North America.

David Traherne

range of machines it could offer into this high volume market segment which could "cater for the vastly different tastes in continental Europe," says Mr McCallum.

The tactics worked. Total sales in Europe grew from some 14,470 units in 1988 to 20,380 units in 1992 before easing back to around 18,000 last year, according to London-based Corporate Intelligence Group, and JCB Hydrapower says that between 1991 and 1992 its market share in Germany grew from 1.3 per cent to 2.6 per cent (the German market peaked at 11,000 units in 1990 according to CIG).

The company addressed the largest segment of the UK market first, launching a 1.4 tonne machine in early 1989. It was robust and simple to operate and maintain.

"We went for the largest segment of the market to prove our ability and technology without overstressing our position," explains Mr Howard McCallum, JCB Hydrapower's director and general manager.

The company then turned to continental Europe, developing a three tonne machine in 1991 which would appeal to owner-operators. It also developed three machines around 1.5 tonnes but to higher specification of the backhoe loader concept, the cornerstone of the

During the same period the value of its mini-excavator exports increased from £5.25m to £8.3m. The company this year has increased production from six to 11 machines a day and is changing the factory layout to triple capacity to 3,000 units a year.

It was the needs of a much smaller market which prompted the group's backhoe loader division to develop the award-winning 4CX 4x4x4 Servopush. The machine is a deriv-



Double whammy: JCB chiefs Dr Henry Shirman, Sir Anthony Bamford and Howard McCallum display their awards

SmithKline Beecham Pharmaceuticals International
is proud to announce that it has received the

**1994 QUEEN'S AWARD
FOR EXPORT ACHIEVEMENT**

This award reflects the success of our export operations in the Middle East, Africa and Eastern Europe, as well as increased sales to subsidiary companies in the United States, Japan and Australia.

SB
SmithKline Beecham
Pharmaceuticals



pbt
ELECTRONIC IMAGING PRODUCTS



Few Financial Times readers will be familiar with our name or corporate logo but many will use our products every day because we produce laser printer and plain paper fax toners for many of the major international companies throughout Europe producing and supplying laser printers.

PBT is also one of Europe's leading producer of remanufactured/recycled laser printer cartridges for use in the HP/Canon range of desktop printers. PBT growth is a result of achieving high quality standards linked with solid product support and very competitive prices.

Products are shipped worldwide with strong sales in Europe, where recycled products have achieved the coveted White Swan certificate, the Middle East, North and South Africa and also Australasia.

In this Queen's Award year we have formed PBT International Inc in the USA to reach out to NAFTA countries as well as South America. We have also recently purchased a substantial minority share holding in leading toner pack producer KOR-KOR Pty Ltd of Sydney, Australia - now named PBT International Pty Ltd. This will strengthen sales activity in Asia.

Having outgrown its present site near Bath, Somerset, we have purchased a 45 acre site near Wells and plan to build additional toner processing facilities, laboratories and environmental test areas.

Unexpected beneficiaries of PBT growth have been leading UK charities. To fund growth in recycling we are always in need of used laser printer cartridges and have several attractive schemes for end-users to support leading medical and Third World charities. In the past year or so we have donated over £100,000 to such schemes. If you use laser printer cartridges, don't bin them! We can re-use them.

We plan to continue expansion and would like to thank our staff, our customers and our suppliers for their efforts and strong support which have helped us achieve the Queen's Award.

Address:

PBT International Ltd, 8 New Rock, Chilcompton, Bath, Somerset, BA5 4JE, UK.
Tel: 0761 233633 Fax: 0761 233523
PBT International Pty Ltd, 10-20 Garden St, Alexandria, NSW 2015, Australia.
Tel: 612318 0888 Fax: 612698 7904
PBT International Inc, 7195 30th Avenue N, St Petersburg, Florida 33710, USA.
Tel: 813345 0010 Fax: 813345 4085

LOMBARD RISK SYSTEMS LIMITED

is proud to have received

The Queen's Award for Export Achievement 1994

for sales of

OBERON

the interest rate derivative software

for the 1990s and beyond

The directors and staff of Lombard wish to thank our clients at more than 100 sites in 20 countries for making this success possible. And to offer a pledge of the continuing investment in research and support that will keep

OBERON at the forefront of financial technology worldwide

Lombard Risk Systems Limited

13th Floor, 21 New Fetter Lane, London EC4A 1AJ
Tel (071) 583 5330 Fax (071) 583 2260
John Wisbey John Shield Chairman & CEO Marketing Director
Executive Vice President

New York, NY 10169 Tel (212) 806 3004 Fax (212) 661 3784

Elton O'Dwyer Executive Vice President

1994

Vickers Electronics LTD

Proud winners of the Queen's Award for Environmental Achievement 1994 for producing a unique Building Energy Control System that on average saves circa 50% fuel costs, in addition to saving circa 50% of harmful emissions.

If you can have WARM AIR or RADIANT TUBE space heaters and would like to substantially reduce your costs contact:

VICKERS ELECTRONICS LTD,
3F Stag Inc. Est. Atlantic St., Altrincham
Tel: 061 929 0376 or Fax: 061 926 8730



1994

INTERNATIONAL MINING CONSULTANTS LIMITED

IMCL is proud to receive the Queen's Award for Export Achievement

Specialist advisers to Banks and Financial Institutions

on the Mining, Minerals and Energy Industries

Experience in over 120 countries

11 Offices in Europe, America and Australia

IMCL, Hatwade, Notts NG17 2NS Tel: 0623 441444 Fax: 0623 440333

THE QUEEN'S AWARDS 1994

Raymond Snoddy on a media company producing animated TV shows

Postman Pat gets his reward

Postman Pat, the animated puppet, has been entertaining pre-school children for years with his gentle humour in the small community of Greendale, but now at last has won some official recognition for his efforts.

The character has, along with Peter Rabbit, Captain Zed and even Shakespeare, the Animated Tales, helped to win a Queen's award for exports for HIT Entertainment, the UK television distribution and co-production finance company.

The company which started business in October 1989 with only 40 episodes of Alvin and the Chipmunks and Postman Pat to offer broadcasters, now has one of the largest animation libraries outside the US with more than 700 half hours and a total of 900 hours of programming overall.

In addition to animation HIT, which had pre-tax profits of just under £1m in its last financial year, has developed a second area of expertise - distributing nature films from around the world under its

Wild Media brand name. The company is also the exclusive distributor of the programmes of Television New Zealand which has a catalogue of more than 400 hours of family drama and natural history programmes.

"More than 90 per cent of our business involves exports," says Mr Peter Orton, managing director of HIT, who at the moment is at the international programme market at Cannes trying to get more television series off the ground and into international markets.

HIT Entertainment has won its export award in the first year in which it was eligible - three years complete accounts are needed to be considered.

Recently HIT and Flextech, the oil services company that turned itself into a media group, confirmed plans to set up a new \$30m (£20.5m) fund to back animated programmes. The aim is to create a range of new animated titles - among the most international of all programme genres - in the UK, continental Europe and

the US. HIT has already come a long way in just over four years since it was set up by the former sales team of Henson International Television, a subsidiary of Henson Associates, the company famous for programmes such as The Muppet Show.

The subsidiary was allowed to move off on its own by Mr Jim Henson, who before his death had been negotiating to sell Henson Associates to Walt Disney.

Mr Orton put £300,000 of his own money in the project and Flextech took a 20 per cent stake which has now grown to 24 per cent.

The HIT managing director believes the company has been able to grow partly at least because it is a niche player and has not tried to compete with the big studios head on.

Distribution these days increasingly involves far more than acquiring rights to programmes and selling them to broadcasters all over the world.

A good distributor, Mr Orton

emphasises, should be in at the start of a programme concept and be able to create a sales package and raise production finance before shooting even begins.

For instance, HIT recognised the potential in the Where's Wally books which have sold more than 16m copies worldwide.

It financed the development costs of preparing an animated series called Where's Waldo, based on the books, to offer to network television in the US.

On the basis of a detailed treatment and a pilot episode CBS paid \$25,000 an episode for a 13-part series - the first time a US network had taken a UK-originated series.

The series, however, cost \$45,000 an episode to make. HIT funded the deficit which it recouped from international sales including a pre-sale selling rights in advance of production to TBS, the Japanese commercial network.

Overall the series generated \$22,000 an episode in television and video cassette sales



Special delivery: Pat posts profits for HIT

outside the US.

An even more complex international story lay behind the making of Shakespeare: the Animated Tales - six half-hour animated Shakespeare plays were all involved.

HIT was responsible for raising co-production funding and received financial commitments from HBO, the American pay television network, and Fujiwakai, the Japanese commercial network operator as well as making pre-sales in both Germany and France.

Meanwhile, Alvin and the Chipmunks and Postman Pat go marching on, because as

Peter Orton says, one of the main advantages of distributing children's animation programmes - apart from the ease of dubbing into any language - is that a new staff once appears without fail every three or four years.

Jenny Luesby tests the fabric of high-speed textile makers

Tough talking men of cloth

When Snap-Drape won a \$50,000 order from Eurodisney to dress five hotels' worth of tables in covers and skirts, it must have known it had broken through into the ranks of the outstanding exporter.

"In 1992, we thought table skirting would be a nice little earner for the two of us, my wife and myself," says Mr Peter Graville, Snap-Drape's managing director. "Within six months we realised we had a really good product, and we got serious."

For directors' lunches and conferences, wedding receptions and hotel buffets, Mr Graville and his wife toiled in the garage of their Cheam home, whipping up Austrian valances with swags, Victorian skirts with lace overlays and two-tier tables bedecked in regency pleats.

In seven pleat-styles, nine fabrics and 150 colours, they moved into the screen printing of company logos and the marketing of mobile storage cabinets.

The result, last year, was export earnings of £1m for 30 miles of tablecloths and 33 miles of table skirting.

"We created a market," says Mr Graville. "That is why we succeeded."

"It can take two hours to box

a tablecloth around a six-foot table using pins - and then you have to undo it again. Our clip on minutes, and off, and on again."

Booming overseas sales in the UK textile industry are not based on price competition.

They require something else, be it speed, flexibility, quality or design.

Another winner that went down the design path is Crowsen fabrics of east Sussex, which markets 2,500 choices of fabrics and wallpapers as next-day deliveries within Europe. The company has increased its exports from £7.5m to £20m in just three years, thanks to its "design flair", it says.

"We have 11 designers, all of them under 25, who came to us straight from design college. The point is that their work gets copied. Their designs have made us industry leaders," says Crowsen.

The company cites as its latest success a Japanese collection, in rich and vibrant colours, "inspired by south sea island folklore and art".

However, speed and flexibility feature more strongly as the bywords of this year's textile winners.

"Our prices are much the same as our competitors, but we're quicker," says Mr Anthony Ruffman, Mondbury's chairman. "We can deliver a

finished product in two weeks, and that's impossible from south-east Asia."

In three years, Mondbury has doubled its exports, to £3.2m. "Our move into the export market was a conscious decision. We had to do something. The UK market was getting tougher and tougher. Our turnover and our margins were falling. But with a low cost base and minimal overheads, we've been able to compete in Europe."

Mondbury has increased its exports five-fold in the last three years, to 75 per cent of its roughly £50m of annual sales.

"We've got there by catching the market," says Mr Sugarman. "If they want ruffled blouses in Europe, we supply them, and if they sell out in 10 days, we supply them again.

Every week, I drive around Europe, making contacts, marketing our service. In garment runs from 500 to 10,000, what we offer is speed."

Mondbury operates to much the same philosophy, but has carved out a niche market in French and German mail order women's clothes.

"Our prices are much the same as our competitors, but we're quicker," says Mr Anthony Ruffman, Mondbury's chairman. "We can deliver a

finished product in two weeks, and that's impossible from south-east Asia."

In three years, Mondbury has doubled its exports, to £3.2m. "Our move into the export market was a conscious decision. We had to do something. The UK market was getting tougher and tougher. Our turnover and our margins were falling. But with a low cost base and minimal overheads, we've been able to compete in Europe."

Mondbury has increased its exports five-fold in the last three years, to 75 per cent of its roughly £50m of annual sales.

"We've got there by catching the market," says Mr Sugarman. "If they want ruffled blouses in Europe, we supply them, and if they sell out in 10 days, we supply them again.

Every week, I drive around Europe, making contacts, marketing our service. In garment runs from 500 to 10,000, what we offer is speed."

Mondbury operates to much the same philosophy, but has carved out a niche market in French and German mail order women's clothes.

"Our prices are much the same as our competitors, but we're quicker," says Mr Anthony Ruffman, Mondbury's chairman. "We can deliver a

finished product in two weeks, and that's impossible from south-east Asia."

In three years, Mondbury has doubled its exports, to £3.2m. "Our move into the export market was a conscious decision. We had to do something. The UK market was getting tougher and tougher. Our turnover and our margins were falling. But with a low cost base and minimal overheads, we've been able to compete in Europe."

Mondbury has increased its exports five-fold in the last three years, to 75 per cent of its roughly £50m of annual sales.

"We've got there by catching the market," says Mr Sugarman. "If they want ruffled blouses in Europe, we supply them, and if they sell out in 10 days, we supply them again.

Every week, I drive around Europe, making contacts, marketing our service. In garment runs from 500 to 10,000, what we offer is speed."

Mondbury operates to much the same philosophy, but has carved out a niche market in French and German mail order women's clothes.

"Our prices are much the same as our competitors, but we're quicker," says Mr Anthony Ruffman, Mondbury's chairman. "We can deliver a

finished product in two weeks, and that's impossible from south-east Asia."

In three years, Mondbury has doubled its exports, to £3.2m. "Our move into the export market was a conscious decision. We had to do something. The UK market was getting tougher and tougher. Our turnover and our margins were falling. But with a low cost base and minimal overheads, we've been able to compete in Europe."

Mondbury has increased its exports five-fold in the last three years, to 75 per cent of its roughly £50m of annual sales.

"We've got there by catching the market," says Mr Sugarman. "If they want ruffled blouses in Europe, we supply them, and if they sell out in 10 days, we supply them again.

Every week, I drive around Europe, making contacts, marketing our service. In garment runs from 500 to 10,000, what we offer is speed."

Mondbury operates to much the same philosophy, but has carved out a niche market in French and German mail order women's clothes.

"Our prices are much the same as our competitors, but we're quicker," says Mr Anthony Ruffman, Mondbury's chairman. "We can deliver a

finished product in two weeks, and that's impossible from south-east Asia."

In three years, Mondbury has doubled its exports, to £3.2m. "Our move into the export market was a conscious decision. We had to do something. The UK market was getting tougher and tougher. Our turnover and our margins were falling. But with a low cost base and minimal overheads, we've been able to compete in Europe."

Mondbury has increased its exports five-fold in the last three years, to 75 per cent of its roughly £50m of annual sales.

"We've got there by catching the market," says Mr Sugarman. "If they want ruffled blouses in Europe, we supply them, and if they sell out in 10 days, we supply them again.

Every week, I drive around Europe, making contacts, marketing our service. In garment runs from 500 to 10,000, what we offer is speed."

Mondbury operates to much the same philosophy, but has carved out a niche market in French and German mail order women's clothes.

"Our prices are much the same as our competitors, but we're quicker," says Mr Anthony Ruffman, Mondbury's chairman. "We can deliver a



Stirring innovators: Peter and Vivian Graville at their factory

Invisible exports

what is invisible, yet profitable, and exported only to return to the UK? And why on earth should anything which fits this description win a Queen's Award?

The answer is people - or rather, their skills. Bechtel Ltd, the UK arm of the San Francisco-based corporation, has won the Queen's Award for exports for the second time in three years by selling skills from the UK abroad - otherwise known as "invisible exports".

"Because we are a service company it is difficult to show what we export," Bechtel says.

Yet between 1991 and 1992, Bechtel exported more than 500 people from the UK to support the fire-fighting teams in Kuwait. They built roads, cleared mines, designed and constructed equipment - "anything needed to help fight fires," the company says.

Bechtel set up shop in the UK in 1962. It provides a range of engineering, procurement, construction and project management services to customers as diverse as the power industry, chemical companies, petroleum and mining group, and the civil sector.

The company claims its export success is based on the wide range and flexibility of services offered: "It is - how

we are able to compete."

Between 1990 and 1992, Bechtel recorded substantial and sustained increases in export revenues from projects in the Middle East, Africa and the former Soviet states.

For Africa alone, Bechtel's exports during that period increased by 600 per cent. Since 1988, overall export earnings

have risen more than 300 per cent.

The largest market is the Middle East, closely followed by Africa.

Future growth, however, lies in the under-developed regions of central and eastern Europe and the former Soviet Union.

"We are looking to increase our market share particularly in those countries," the company says.

Bechtel's determination to expand the markets for services such as procurement and project management also has a knock-on effect for Britain's export industry, the company claims.

"We provide opportunities for UK manufacturers to bid for contracts worth many hundreds of millions of pounds," Bechtel says. "That is a significant contribution we can make by being successful."

Peggy Hollinger

THE QUEEN'S AWARD FOR
EXPORT ACHIEVEMENT

As an international insurance and reinsurance broker, Johnson & Higgins Ltd has trebled its export earnings in just three years.

We thank our clients and congratulate all our staff and partners around the world.

JOHNSON & HIGGINS

The global network that really works

TRAVCO

15 Minster Street, London N1 7TB
Tel: (071) 490 6550 (10 lines) Fax: (071) 490 6551
Telex 616555 TRAVCO G

As one of Europe's foremost wholesale tour operators we are very proud to be recipients of the Queen's Award for Export Achievement 1994.

We wish to thank all our clients and suppliers worldwide for their support and assure them of our continued dedication to travel and tourism.

For more information on the services we can offer please contact Mark Allan, Managing Director, on the above number.

ASSOCIATED OFFICES:
Europe Express Inc., Kirkland WA 98333, USA Tel: (206) 822 1950 Fax: (206) 822 6951
Travco Japan K.K., Tokyo 150, Japan Tel: (03) 349 1367 Fax: (03) 349 1355

ASHLOW GUIDES

Davy International is pleased that its Ashlow Guides Division has received the Queen's Award for Export Achievement 1994.

We thank our customers, suppliers and agents for their major contributions to its achievement. In particular we appreciate the efforts of all the staff in the Ashlow Guides Division, and the support provided by colleagues in other Divisions of Davy International in Scotland.

Davy

ASHLOW GUIDES

DRA Aircraft Systems Sector
is delighted to accept the Queen's Award for Technological Achievement for the development with Westland Helicopters of an advanced composite blade for the Lynx helicopter

DEFENCE RESEARCH AGENCY
Supplier of independent, high quality scientific and technical services to MOD, other government departments and industry.

DRA
Farnborough, Hampshire
Tel. 0252 392000

The DRA is an Agency of Ministry of Defence

INTERNATIONAL OIL INSURERS

The Members of International Oil Insurers (IOI) are proud to announce that the Association has been granted the 1994 Queen's Award for Export Achievement.

IOI wishes to extend its thanks to all its staff, clients, insureds, brokers and loss adjusters, without whose support this honour could not have been achieved.

IOI looks forward to continuing to provide the oil gas and petrochemical on-shore industry throughout the world with the high level of underwriting and engineering specialised services maintained over the last two decades.

INTERNATIONAL OIL INSURERS
84 Fenchurch Street, London EC3M 4BY
Telephone: 071-488 2703 Fax: 07

THE QUEEN'S AWARDS 1994

The Queen's Award for Technological Achievement

Name	Location	Product or development
APV Baker - Liquid Foods Division	Crawley, W Sussex	Chemic heating for the production of high quality ambient-stable food products
Autotype International	Wantage, Oxfordshire	A process for the manufacture of hard coated polyesters for electronic/User Interface
British Aerospace Airbus	Bristol, Avon	Common wing for the Airbus A330/A340 aircraft
Access Networks Division of BT Laboratories	Ipswich, Suffolk	'Slow fibre' optical fibre cable
Chubb Research	Wolverhampton, W Midlands	Installation technique
Convatec	Deeside, Chwyd, Wales	Polymer composites as protection materials for high security products
Aircraft Systems Sector, Defence Research Agency	Farnborough, Hants	Granuflex hydrocollloid moist-wound dressing
Dunn Systems	Ashby de la Zouch, Leics	Lynx helicopter advanced composite main rotor blade
EA Technology	Capenhurst, Chester, Cheshire	High speed pack handling system for food and drink industry
Extrusion Systems	Bradford, W Yorks	Chemic heating for the production of high quality ambient stable food products
Gooch and Housego	Ilminster, Somerset	A process to produce polypropylene yarn suitable for industrial/technical applications
Husky Computers	Coventry, W Midlands	Acoustic-optic modulators
IBM United Kingdom, Havant Division	Havant, Hants	Husky FS2 Rugged Handheld Computer
Backhoe Loader Division	Rosemont, Staffs	IBM 0681 High performance disk drive
J C Bamford Excavators	Stockport, Cheshire	JCB 4CX Servopilot Backhoe Loader
Kemira Polymers (A Division of Kemira Coatings)	London NW8	Polymer composites as protection materials for high security products
PSION	Fleet, Hants	Portable computers
Sonardyne	Yeovil, Somerset	Select Integrated Positioning System for sub-surface surveying (SIPS)
Westland Helicopters		Lynx helicopter advanced composite main rotor blade

Andrew Fisher looks at the British problem of progress

The key to innovation

Britain has some of the most innovative companies in the world – as the Queen's awards for technological achievement show.

Those companies which have succeeded technologically have been willing to take risks or been forced to change when their markets were threatened. They looked ahead and worked out where they wanted to be in a few years' time. Then they invested the money and worked hard to get there.

Put like that, it sounds straightforward and obvious. But keeping up with modern technologies, let alone leading a field, requires imagination and vision as well as conventional management skills and proper financing.

Europe as a whole lags behind Japan and the US in high-technology industries. There is no obvious recipe for technological success, but those whose companies have become innovative leaders stress the need to look wider than the technology itself.

"Just having innovative technology is not enough to claim true innovation," Mr Akio Morita, chairman of Sony, the Japanese electronics giant, said at the Royal Society in

London where he gave the 1992 innovation lecture.

This year's lecture was delivered by Mr Lars Ramqvist, chief executive of Ericsson, the Swedish telecommunications concern which has invested heavily – at the expense of dividends – to stay at the front of the mobile telephone systems market.

This was a risk that Mr Ramqvist convinced managers and shareholders to accept a few years ago. If it had failed in any area of the technology, the market or the timing, "we would have been a dead duck".

Instead, Ericsson emerged stronger than ever, more than doubling profits last year. Ahead of his innovation speech, he praised British innovation, but criticised the common failure to make it a commercial success. "You have been too prudent, too logical, you've done everything step-by-step. But in the end, the world has moved faster."

The lecture's sponsors, including the Confederation of British Industry and the Department of Trade and Industry, are well aware of this failing and the need to put it right. Their joint programme to make UK industry more

innovative – right the way through from research to the final sale of a product – is aimed at helping to make companies more competitive in today's fast-changing and aggressive markets.

The 18 companies winning Queen's technology awards, seven fewer than last year, make products ranging from the prosaic such as backhoe loaders (J.C. Bamford) to the exotic like acoustic-optic modulators (Gooch and Housego). They include big companies such as British Telecommunications and the UK division of IBM of the US and small ones like Dunn Systems and Sonardyne.

Dunn is a prime example of a company which was forced to innovate when staring disaster in the face. The UK miners' strike more or less put paid to its traditional coal mining equipment business, so it switched its skills to the retail sector. "We are a creative company, but we had to look to other markets to live," says Mr Dennis Kirtland, the chairman.

In its small way, Dunn's example mirrors some of the lessons which Ericsson's performance has highlighted. One is the need for strong commitment to a new direction, whether in products, markets or both. Another is the awareness that companies can rarely go it alone these days.

Ericsson co-operates with a variety of outside companies on key technologies, such as Texas Instruments. Dunn turned to Loughborough University for help in developing sophisticated electronic controls for its conveyors.

Mr Ramqvist made the oft-quoted point about too many British companies being run by accountants. Clearly, if accountants had had the final say, Ericsson would probably not have doubled the pace of its R&D spending in the 1990s.

The process of innovating to stay at the forefront of technological progress will never be over. This lesson is one which many UK companies still have to learn.

It was put sombrely by Paul Stoneman, a professor at Warwick Business School: "Unless the UK invests more heavily in new technology, it will not be able to generate the extra productivity and new products that it needs to compete successfully in international markets and will continue its relative decline."

Andrew Cane examines awards made to information technology companies

Eggs and chips go down well



In the field: a Husky hand-held computer being used on the move

Software which persuades Apples to jump through Windows, electronic locks which yield to plastic keys and computers which shrink mainframe power to a handy size are among the contributions of the information technology industries to the awards for export and technology.

The technology winners – all computer makers – took their awards for products which combine compact dimensions with substantial computing power. Husky Computers, a 200-strong subsidiary of the Peak Group, has been developing rugged, hand-held computers for data collection since the early 1980s. Its latest creation, the FS2, for which it took the award, is already showing promise in the US where the utility metering company Itron has opted to use it in place of its own hardware.

Psonic was a pioneer in hand-held computers that pack the power of a desktop into a package the size of an electronic organiser. Its Series 3 computer, for which it won the award, uses a variety of advanced manufacturing methods including surface mounted chips and folded printed circuit boards.

International Business Machines' manufacturing facility in Havant, Hampshire, has distinguished itself more than once by serving as the sole source world-wide for key devices. So it is with the 0681 disk drive, an eight centimetre high box which provides enough storage for 1Gb bytes of data.

Products from equipment which makes chips, to machines which write on eggs won export awards. ABS Electronics of County Down, Northern Ireland, won its award for electronic locks which prevent unauthorised use of photocopiers, printers and other office equipment. With a turnover of more than £2m and employing some 30 people, the company's present product line developed out of coin-operated devices. Now magnetic striped cards are the key to the lock. Some 95 per cent of sales are outside Northern Ireland.

Applied Implant Technology is the UK subsidiary of Applied Materials of Santa Clara, Calif. The company has its headquarters in the UK, the company has US

operations in Mountain View, California. Some 95 per cent of the company's sales – \$19m in 1992 – are outside the UK.

International Banking Information Systems makes a different scale and flavour of software. Part of the Italian Monte dei Paschi banking group (IBM is a 10 per cent stake in the company), its principal offering is a fully-integrated banking package running on IBM's mid-range AS/400 computer.

IBIS is one of a small number of companies – the others include BIS, now part of ACT, and Kapiti, taken over last month by Misys – which have been developing international banking packages since the 1980s. Some 70 per cent of IBIS sales are abroad.

Lombard Risk Systems, based in London, also develops software for financial services but within a narrower focus. Founded in 1988, it has grown to 55 people selling a software package which enables banks and leading companies to manage the risks of trading in financial derivatives such as interest rates and currency swaps, caps, floors and swaptions. Called "Oberon", the package will also handle less complicated instruments such as futures, options, on futures, loans, deposits and bonds.

Exports have nearly trebled over the past three years and 60 per cent of revenues come from outside the UK.

Scientific Software International, British subsidiary of a US company based in Denver, the company has US

Colorado, provides consultancy services and develops software for the oil and gas industry. Its packages fulfil a variety of functions. Some are used to analyse data derived from oil reservoirs enabling engineers to describe the reservoirs in numerical terms. Others can be used to simulate the behaviour of the reservoirs.

The telecommunications and data communications business is represented by three companies: Cable & Wireless, Philips Telecom and Madge Networks. It is the second time C&W has won an award; perhaps not surprisingly because this UK-based telecommunications group, which includes Mercury Communications, has a powerful reputation for winning business overseas. In the past year, it has secured contracts in collaboration with Telecom Finland to develop telecommunications services in Latvia. It is working on cellular radio networks in South Africa, a joint venture in undersea cables with the Chinese government and it is chasing developments in Bulgaria.

It is also second time round for Philips Telecom although it was the technology award which it won in 1989. Now it exports more than 50 per cent of its radio pagers to mainland Europe, especially Sweden, India and the Far East. The pagers are designed and manufactured in Philips' Cambridge facility.

Madge Networks, one of UK's few international successes in computer technology, has taken on a bewilderingly cosmopolitan air in the past few months. With headquarters in Paris, it is registered in Amsterdam, carries out research and development in the UK and is listed on the US NASDAQ market. The company supplies hardware and software for computer networks which stretch across organisations. It specialises in local area networks using IBM's token ring technology.

Advertising on eggs, a current fad, is made possible by continuous inkjet printers, tough, industrial variants of the familiar office machines, developed by companies such as Willett International. It is this company's second award.

More byte to our Disk Drives..!

IBM's manufacturing and development business at Havant is delighted to receive the Queen's Award for Technological Achievement in 1994 for the IBM 0681 Disk Drive. This is outstanding recognition of IBM at Havant's capabilities in the field of leading edge design and manufacture of high technology products.

IBM

IBM United Kingdom Limited, Havant Plant, PO Box 6, Langstone Road, Havant, Hampshire PO9 1SA
Telephone: (0705) 486363

Queen's Award for giving British industry a big lift.

British Aerospace has won the Queen's Award to Industry for Technology for their revolutionary common wing design for the Airbus A330 and A340.

Producing an effectively identical wing for two aircraft with substantially different characteristics – the A330 has two wing mounted engines, the A340 has four – demonstrates British Aerospace's world leadership in aerostructures technology.



British Aerospace's design teams embraced innovative methods of Computer Aided Design processes and super computer modelling in shaping the largest wing produced in Europe. One hundred feet long but with components accurate to thousandths of an inch.

The result – the world's most aerodynamically and structurally efficient wing, designed and built by British Aerospace.

BRITISH AEROSPACE

British Aerospace Plc, Warwick House, Farnborough Aerospace Centre, P.O. Box 87, Hampshire, GU14 6YU.
Tel: 0232 373322 Fax: 0232 383000

THE QUEEN'S AWARDS 1994

Bronwen Maddox looks at the effect legislation to protect the environment has had on managements

Green revolution in business

The Queen's awards for the environment, created two years ago, have emerged at a turning point in the environmental debate. Businesses are beginning to pay considerable attention to "greening" their activities.

After a decade of intense legislative effort by the UK, the European Union and other international organisations, industries find themselves the subject of a barrage of measures to control pollution.

You do not, however, have to assume that managements have adopted green convictions to see why it might be in their interests to spend any money on the environment.

Taxes on many kinds of fuel have been steadily rising, while one of the European Union's main environmental

proposals is the introduction of a tax on energy and its carbon content, to help reduce the threat of global warming.

The UK's much-delayed new rules on the management of landfills - licensed rubbish dumps - which come into force on May 1, are also likely to push up the cost of disposing of solid waste. Meanwhile, the National Rivers Authority and the water companies have been steadily ratcheting up the cost of permits to discharge effluent into rivers and estuaries.

Controls on air emissions are also one of the main targets of the pollution inspectorate as it seeks to apply the provisions of the 1990 Environmental Protection Act.

A second reason for companies' increased concern about their environmental impact is

the growing difficulty of getting planning permission for new processes and sites. Many local councils have become tougher about granting such permission, mindful of public protests that now regularly follow threats of environmental damage. Oil and chemical companies, in particular, say privately that without a green image they will find it hard to win planning battles.

While all these factors have had some effect in greening companies, the spread of regulation to control pollution is the greatest driving force behind the growth of environmental technology markets.

According to a UK government report last month, the world market for pollution control equipment and services is worth about \$210bn and will

grow to about \$320bn by 2000 and \$570bn by 2010. The report said that British environmental technology companies generate an annual trade surplus of £234m - water treatment technology is a particularly strong sector.

However, in many sectors, UK companies lag behind German, US and Japanese companies, whose growth has been helped by the long history of tight environmental regulation in those countries.

Mr Andrew Lees, campaigns director of Friends of the Earth, the pressure group, says that the development of UK environmental technology will be handicapped by the UK government's comparative slowness in drawing up regulation.

But he remains sceptical that the Queen's Award scheme

Name	Location	Product or process
Alida Recycling	Hemel Hempstead, Herts	Polythene waste recycling
Bridgewater Paper Company	Ellesmere Port, South Wirral, Cheshire	Newspaper from recycled fibre
Combined Power Systems	Eccles, Greater Manchester	Computer controlled combined heat and power
Dorman Diesels	Stafford, Staffs	Low emission gas engines
Multicore Solder	Harrow, Middlesex	"No Clean" soldering materials
Seabait	Ashton-under-Woods, Cheshire	Cultured ragworms for fishing bait
Shaw, Son & Greenhalgh	Huddersfield, West Yorkshire	Isolation valves for hazardous chemicals
Vickers Electronics	Altringham, Cheshire	Synchronous burner controls

marks any deep-rooted strength of British business: "The Queen's Award will not deliver a thriving British environmental technology sector" unless the government uses regulation to drive the market.

Environmentalists and industrialists unite in pointing out that technological innovation alone is not enough to generate these markets. Techniques for recycling many products have been available for years, they say, but the demand for recycled material remains low.

The near failure of the Ger-

cated and will be rapidly "poached" by companies in less regulated parts of the world, particularly to eastern Europe, because of the high costs of compliance with environmental regulation.

Controversy about whether higher environmental standards in developed countries hinder businesses when competing internationally surfaced last week in Marrakesh in debates on the environmental implications of the General Agreement on Tariffs and Trade. Chemical companies have repeatedly voiced their concern that western Europe will lose sectors such as bulk chemical manufacture to other

less regulated parts of the world, particularly to eastern Europe, because of the high costs of compliance with environmental regulation.

Such talk is anathema to many policymakers as well as environmentalists. However, firm figures on revenues and markets are difficult to establish in this early stage of the environmental markets' development. While schemes such as the Queen's Awards give prominence to new green technology, the debate about whether greater reality means richer has a long way to run.

The choice of winners among environmental companies is diverse

'Britain's finest ragworms'

has adhesive labels or other plastics attached to it, or is printed with ink.

The problem of removing contaminants is one reason why recycling polythene and other plastics is expensive and not widespread. Alida's two plants remove these contaminants automatically. However, the company notes that "the development of more outlets for recycled materials" remains a "challenge" in developing markets for their products, and that the solution is partly in retailers' hands.

The government's current proposals - now the subject of consultation with the packaging industry - to increase the amount of packaging that is recycled may help the development of these markets. A new European directive to be debated by the European Parliament could have an even greater effect.

Recycling - which is now

the subject of government consultation - is also the reason for the award to the Bridgewater Paper Company. Bridgewater, based in the South Wirral, produces newspaper and other paper for use in directories and other products which contain on average 80 per cent recycled fibre.

The company, a subsidiary of Stone-Consolidated Corporation of Montreal, Canada, exports a fifth of its product.

A second theme of the government's recent environmental policy - energy efficiency - features in the award to Combined Power Systems.

The company, which grew out of the University of Manchester Institute of Science and Technology, makes generators for use in hospitals, hotels and leisure centres.

The "combined heat and power" systems generate electricity and heat from a single fuel in the building where the

electricity is used. This enables the waste heat from electricity generation to be used for heating the building, making the process more efficient than conventional large-scale power stations.

The Energy Saving Trust, set up by the government to encourage energy efficiency and help curb the emission of gases linked to global warming, has chosen to promote combined power systems as one of its first projects.

Similarly, Vickers Electronics, the Cheshire-based producer of electronically-controlled heating systems, claims that its products bring considerable energy savings. The company has won the award for its Synchronous Burner Control, an electronic heat sensing system which allows businesses to heat their offices more efficiently. According to the company, the savings, which are achievable in most

non-domestic premises", average around 50 per cent on conventional heating systems.

Dorman Diesels, a Staffordshire-based engine manufacturer, won an award for low-emission gas engines for industry. The company, which is also known for making diesel engines for industry, power generation and shipping, has teamed up with German and Japanese manufacturers to market its products.

Shaw Valves of Huddersfield, West Yorkshire, have won their environmental award for producing valves to handle hazardous chemicals safely. The valve, which arose from discussions in 1988 with ICI, the chemical group, controls the use of liquid chlorine.

Chlorine, which is used in treating drinking water, in the production of food and medicines and in bleaching paper, is nonetheless highly toxic and harmful to the environment.

natives or for new processes which eliminate the need for CFCs.

Environmental pressure groups have cautiously welcomed the introduction of a green category to the Queen's awards. But they point out that the award simply commands a technological development and is not the same as an environmental audit of the companies' activities.

Mr Andrew Lees, campaigns director of Friends of the Earth, the pressure group, welcomed Seabait's award, saying "bad digging causes serious damage to wildlife in mudflats". He called for digging licences in sensitive areas to be revoked.

Pressure groups welcome in general the development of environmental technology markets and the encouragement that awards schemes give to companies competing in these arenas. However, they argue strongly that the growth of the markets is driven by regulation. "Without intervention by governments, these markets are not going to develop," says Mr Lees.

Bronwen Maddox

"Healthy and lively worms" are the attraction offered by Seabait, the Northumbrian-based fishing bait company which has won one of this year's Queen's Awards for environmental achievement.

This is the second year in which the awards have been made, and like the first, the choice of winners is striking for its diversity. The eight winning products include technology to reduce pollution from power generation, recycling of polythene and newsprint, and valves to handle hazardous chemicals.

Despite this range, there is very little overlap with last year's list. The main criterion laid down for the award is that products and processes should make "a significant advance" and yield "major benefits in environmental terms compared to existing products, technology or processes".

Two of the award-winning companies have arisen directly from the science and technology departments of universities. Universities have been defending the funding for these departments partly by pointing to their capacity for generating technological innovations.

The Recognition of Success

1994

Recipient of the Queen's Award for Export Achievement in 1987 and 1988, Sunseeker International (Boats) Limited has been honoured for the third time, having been conferred with the Queen's Award for Export Achievement 1994.

The country's leading designer and builder of luxury powerboats - 15 different craft from four distinct ranges - Sunseeker International is acclaimed throughout the world, and last year 99 per cent of its production was exported with many new markets opened up.

As a result the company has achieved success and growth in terms of sales and turnover - in spite of the worldwide recession - while, at the same time, it has maintained its lead within the industry for the quality of its design, build and marine technology.

Supported by distributors and dealers in 21 countries, and a dedicated workforce.

Sunseeker

Sunseeker International (Boats) Limited
2731 West Quay Road,
Poole, Dorset,
England BH15 1HX.

Telephone: (0202) 675071
Facsimile: (0202) 631646

Laurence Graff
is pleased and honoured to announce that
THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT
has been conferred upon his Company
for the third time in twenty-one years.

GRAFF
unmistakably

THE MOST FABULOUS COLLECTION OF JEWELS IN THE WORLD

6 & 7 NEW BOND STREET LONDON W1Y 8PE & 55 BROMPTON ROAD LONDON SW3 1DP
TELEPHONE 071 584 8571/4 FACSIMILE 071 581 3415

Coulter Electronics Limited
Winners of The Queen's Award
for Export Achievement 1994

would like to thank its customers and employees
for their continued support and commitment
which has made possible our achievement
of this prestigious Award.

COULTER ELECTRONICS LIMITED
An ISO 9002 company

COULTER

ISO 9002
CERTIFIED
Quality Management System

Northwell Drive,
Luton, Beds.
LU3 3RH

Tel: 0582 567000
Fax: 0582 490390

EA Technology Ltd.,
Europe's leading
developer and
exploiter of energy
based technology,
is proud to receive
the Queen's Award
for Technological
Achievement 1994.

OUR MISSION:
'To improve the profitability of our customers, suppliers and users of energy worldwide, by providing innovative technology based products, processes and services.'

EA Technology Limited, Capenhurst, Chester, CH1 6ES.
Tel: 051-339 4181 Fax: 051-357 1581

snap · drape
Finest table skirtings and Conference Cloth
Glendower Rd, Leominster HR6 0RL
Tel: 0568 616638 Fax: 0568 616639

To Advertise Your
Legal Notices
Please contact
Tim McGowan
on 071 873 4842
Fax: 071 873 3064

APV

APV Liquid Foods Division is proud to receive the Queen's Award for Technological Achievement for its Ohmic food processing technology.

Another world class contribution to the Food Industry.

APV - Liquid Foods Division
PO Box 4, Gatwick Road, Crawley
West Sussex RH10 2QB.
Tel: 0293 527777 Fax: 0293 552640

CRP

CRP MARINE
A division of the CRP Group

World Leaders in Subsea Engineering for the Offshore Oil & Gas Industry

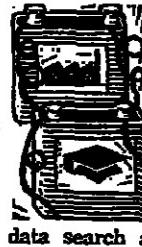
CRP Marine Limited
Stanley Way, Skelmersdale Lancashire WN8 8EA

CRP is proud to receive the Queen's Award for Export

TECHNOLOGY

Collaboration between industry and academia is gathering pace in Canada, says Bernard Simon in the second of a series on research

Opportunity knocks



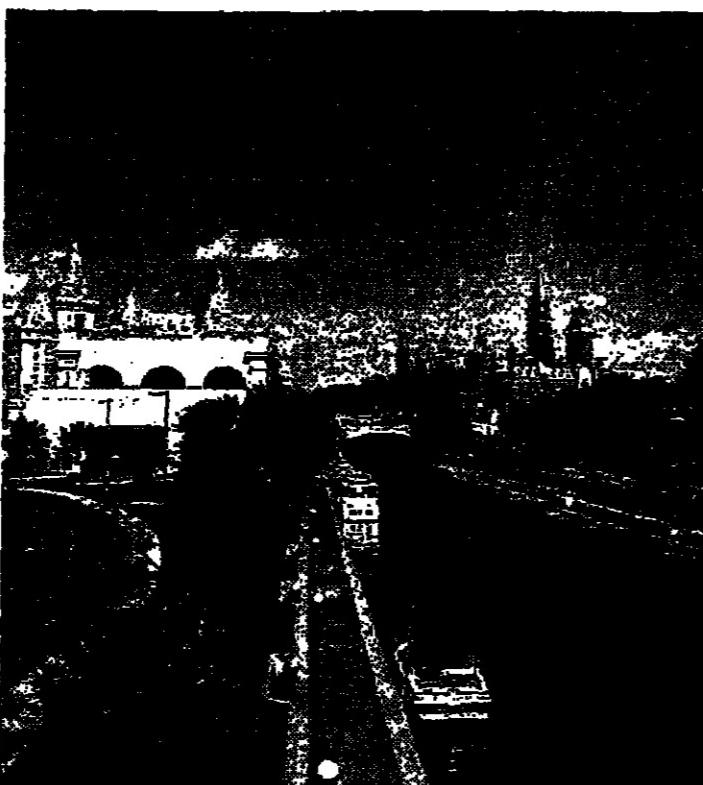
When Union Bank of Switzerland, the Japanese government, British Nuclear Fuels and Caterpillar, the US construction machinery maker, were looking for a fast and versatile data search and retrieval system, they turned to a small company in Waterloo, Ontario.

Open Text Corporation's software can search 50m words a second in any language and in any database. Its system helps Caterpillar's customer-support staff around the world, including Japan, keep abreast of changes in maintenance procedures. Writers of Caterpillar product manuals can be sure of updating every reference to a component whenever a supplier modifies a specification.

Open Text, which has been profitable for the past three years and expects 1994 sales to top C\$3m (£1.4m), is a rare example in Canada of a successful business nurtured by university research and a dollop of government money. The company has its origins in work done by two University of Waterloo scientists for the computerisation of the Oxford English Dictionary in the mid-1980s. An Ontario provincial agency put up seed money to help commercialise the software.

While success stories such as Open Text remain the exception rather than the rule, there is growing collaboration between business, government and academia to apply the fruits of research to commerce and industry. Henri Rothschild, chief scientist in the Department of Industry, Science and Technology in Ottawa, says that "science policy is now considered an integral component of industrial policy. It's not a peripheral issue."

Canada's research effort remains hobbled, however, by the dominant role of government laboratories and by a lop-sided allocation of private-sector resources. According to Statistics Canada, the federal government's 200 laboratories for research and development will account for almost one-third of all R&D spending, totalling C\$1bn, in the year to March 31 1994. The research budgets of some agencies, such as the National Research Council and the Department of Agriculture, match



Ottawa, Ontario: government laboratories dominate in Canada

the combined resources of all Canada's universities.

By common consent, the government gets poor value for money from its in-house laboratories. They have little incentive to compete for funding or for the best brains. Private-sector researchers can only marvel at the bureaucrats' success at beating off every attempt to scale back or privatise government research facilities.

Outside Ottawa, almost half all industrial R&D is handled by 25 enterprises, led by Bell-Northern Research, the research arm of Bell Canada, the country's biggest phone company, and Northern Telecom, the telecoms equipment maker. The 25 top spenders include three government-owned corporations.

Industry, however, is starting to take research more seriously and to collaborate with universities and government. Much of the impetus has come from trade liberalisation, especially the 1989 US-Canada free

trade agreement. For years, high tariff walls shielded Canadian "branch plants" from international competition, rewarding second-hand technology (usually imported from US parent companies) and discouraging innovative research.

One recent business initiative involved a C\$700,000 gift by Canadian Imperial Bank of Commerce to the University of Waterloo to set up a centre for the management of technological change and innovation. The bank has retained Douglas Wright, a former president of the university, for advice on how to adapt banking practices to research-based companies.

The University of Waterloo is

leading the way in fostering collaboration between academic and business. It claims to have the world's biggest "co-operative education" programme, in which some 10,000 students spend part of their courses gaining practical experience with 2,500 employers, including several Japanese companies.

Next week: Italy

PEOPLE

Manduca to leave Henderson



Paul Manduca, deputy group managing director of City fund manager Henderson Administration, is to become chief executive of Threadneedle Asset Management, the newly formed asset management arm of RAT Industries.

Manduca has been at Henderson for just over a year. His appointment there followed the acquisition of investment trust managers Touche Remnant Holdings where he had been chief executive. At the time, there was considerable speculation about how Manduca's outspoken personal style would mesh with Henderson's "City gents" culture. Henderson, which has been

losing pension fund clients in its institutional business, had been buoyed by the acquisition of TR, which made it the UK's largest investment trust manager.

Finance moves

- Robt Banks, formerly group chief executive of Cannon Street Investments, has been appointed a director in WEST MERCHANT BANK's corporate finance division.
- David Henderson joins from B.A. Asia as West's director in Hong Kong and Michael Roberts, previously with Lazard, is appointed a director in the project & export finance division.
- Paul Haines, formerly head of Sedgwick Noble Lowndes investment consultancy service, has been appointed marketing director of LLOYDS Investment Managers.
- James Withers, a former senior vice-president of Manufacturers Hanover and Chemical Bank in New York, has been appointed to Europe for BARCLAYS Global Services Group.
- Kevin Southwood, md building society operations, has been appointed to main board of ALLIANCE & LEICESTER BUILDING SOCIETY.
- Ian Sutherland, formerly director of commercial banking for the Royal Bank of Scotland, has been appointed to the new position of divisional director for Scotland of MIDLAND BANK.
- Kenneth Lawford, head of credit bureau with NATIONAL AUSTRALIA BANK in Queensland, has been appointed head of credit bureau at its subsidiary Yorkshire Bank.
- Michael Ashbridge, head of SAVES & PROSPER'S UK unit trust investment team, and Peter Sanderson, director, institutional sales, have been appointed to the group board.
- Michael Barnes, David Boardman and Peter Seabrook have been appointed directors of ROBERT FLEMING HOLDINGS. Andrew Watkins has been promoted to the board of Fleming Investment Trust Management. Charles Lills, formerly director of investment banking at Merrill Lynch, has been appointed head of product development at Fleming Investment Management.
- Luke March, formerly deputy secretary, has been appointed group company secretary of TSB GROUP in succession to the late Peter Bowland.

'Great survivor' steps down from Clyde

Colin Phipps, who is stepping down as chairman of Clyde Petroleum after more than a decade at the helm, only went in to Britain's North Sea oil industry in the 1980s as a temporary measure.

In the event he has turned out to be one of the great survivors among the bosses of the small independent oil companies spawned by the discovery of North Sea oil.

Having trained as a geologist - he did his doctorate on the geology of the Malvern Hills - Phipps's early career was spent overseas with Shell. But he always harboured after politics and after returning home took a job as an oil industry consultant while he looked for a parliamentary seat.

He eventually got into Parliament in 1974 as Labour MP for Dudley West. But by then he had founded Clyde Petroleum and soon fell out of step with the old Labour party. Having lost his seat in the 1979 election, he helped found the Social Democratic party in 1980 and stood as an unsuccessful SDP candidate in the 1983 and 1987 elections.

Although Clyde's market capitalisation is less than £15m, Phipps bows out of a company which has grown into the UK's fifth biggest oil independent and is producing a record amount of oil. Phipps's only sadness is that he is retiring at a time "when the industry is in severe trouble because of low oil prices". He notes

that the membership of Brinet, the trade body for the small oil independents, is less than half what it was when he was chairman in 1984.

Phipps is one of the last of the entrepreneurs who were in

Non-executive directors

- Alison Carnwath, a partner of Phoenix Securities at NATIONWIDE BUILDING SOCIETY; Michael Pickard has resigned.
- Sir David Hardy, chairman of Bankers Trust Investment Management, as chairman at Y.J. LOVELL (HOLDINGS) following the retirement of Antony Richens.
- Geoffrey Taylor, former group chief executive of the Midland Bank, as chairman of ATKINS HOLDINGS.
- David Rowe-Beddoe, chairman of the Welsh Development Agency, at DEVELOPMENT SECURITIES.
- Roger Brooke, founder and chairman of Candover Investments, at TARMAC.
- Gordon Campbell, a director of Companions at UK ATOMIC ENERGY AUTHORITY.
- Charles Spence has retired from SOUTH WEST WATER.
- Alan Styles, retired director of Staveley, at HEWITT GROUP.
- Alan Styles, retired director of Staveley Industries, at HEWITT GROUP.
- David Hunter, a director of NCL Investments, at FOREIGN & COLONIAL US SMALLER COMPANIES.
- Chris Sleath, retired senior partner of KPMG Peat Marwick, at SPIRAX-SARCO ENGINEERING; Jack Shepherd is retiring as deputy chairman.
- Henry Shouler, deputy chairman of Sharpe & Fisher, at PASCOE'S GROUP; Alan Lewis has resigned.

The past year has been one of dashed hopes for researchers and sufferers of Aids. The Concorde study results on AZT, announced earlier this month, concluded that the drug yields no benefits to people who have contracted HIV and have yet to show any symptoms. The news was just the latest in a series of setbacks.

Many Aids medicines have failed to live up to their promise. The Berlin Aids conference last June was hardly upbeat but several glimmers of hope still shone. Yang-Kang Chow of Harvard University had just announced positive results from trials using a cocktail of AZT-type drugs.

A number of companies, including Merck, Roche and Vertex, were concentrating on a promising new class of Aids drugs, called protease inhibitors. And Chiron, the US biotechnology group, was preparing for large-scale trials of vaccines made up of an empty shell of the HIV virus.

Shortly after the Berlin conference, Harvard admitted its data on the cocktail drug had been faulty. Earlier this year, Merck, said to have one of the most promising of the protease inhibitors, announced that its initial trials had held the virus back for periods of only 12 to 24 weeks.

Chiron has suspended research for its Aids vaccine pending government funding for wide-scale trials. "We will not move ahead on that until funding comes through," says Lawrence Kurtz, a spokesman for the group. Aids scientists are concerned that continued disappointment may lead the private sector to put less money into HIV research. "I think some companies have been disappointed," says Fernando Zarias, regional co-ordinator for the Pan American Health Organisation.

Thanks to the centres, about 2,000 postgraduate students have been able to work with some of the country's top researchers on industry-directed projects. The vice-president for finance at the space and terrestrial science centre has teamed up with one of the scientists to form a company. The groundswell centre has licensed production of its software programmes.

When the independent judges returned for a five-year review in 1992, several of the centres got rave reviews. Especially encouraging is that the private sector's financial contribution has jumped from zero in 1987 to between 30 and 50 per cent of the centres' current budgets.

The lack of progress is even more disappointing as the public's hopes of fighting the disease are so high, fuelled by rapid

Aids research suffers setbacks

High hopes have been brought low, reports Victoria Griffith

developments in research

While our understanding of the disease has deepened considerably, researchers say there is no cure in sight. "To even think of a cure is going to even think of anything we have our eyes on," says Smilio Emini, executive director of antiviral research at Merck. Even the prospect of controlling the virus for a period of years has proved daunting.

The general public thinks in terms of infections you can absolutely cure," says Martin

"The virus selects for resistance . . . the more virus you kill off, the more resistance will occur"

Hirsch, a professor at the Harvard Medical School and a leading Aids researcher. "But Aids is a virus, and we have never been able to cure any virus, only prepare the body's natural defence system to attack the virus once it arrives. There is no evidence that the body has any sustainable ability to fight HIV."

Aids activists believe this view is too pessimistic. "There is no cure for herpes, but we are able to keep it in control with acyclovir, and that amounts to the same thing," says Raymond Schmitt, an Aids activist with the organisation ACT UP.

Scientists point out that in the case of herpes, the drug merely suppresses the virus long enough for the body's immune system to prepare a counter-offensive.

One of the main problems in fighting Aids is that the virus invades the cells responsible for

immunity, namely the CD4 lymphocytes. There is no pause in the virus's onslaught. Last year, scientists discovered that HIV uses the period of "clinical latency" - during which patients show no increase of the virus in their blood - to implant itself deeply in the lymph nodes. After multiplying there for years, it again invades the blood stream.

Another research challenge is that HIV replicates itself with frightening speed. Vaccines for influenza, for instance, are troublesome because the virus mutates about once a year. HIV can metamorphose once every few days, and its ability to transform itself has frustrated many researchers. Merck, for instance, identifies this mutability as one of the main problems with the effectiveness of its protease inhibitor.

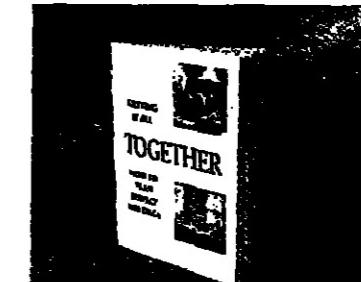
Protease inhibitors prevent the production of the protease enzyme, which is necessary for the virus to replicate effectively. However, the inhibitor matches a certain molecule, and becomes ineffective if that molecule changes form.

"The Aids virus selects for resistance," says Emini. "If the environment changes, the population will replace the eliminated virus with a new, resistant strain. Ironically, the more virus you kill off, the more resistance will occur."

Merck says it will continue research on the protease inhibitor to see if it becomes more effective when used in conjunction with other drugs, such as AZT.

News has not been completely bleak, however. While progress in treating infected patients is slow, a new study with AZT shows that the drug may keep HIV-positive pregnant women from passing the virus to their children. Gene therapy also holds promise. "I think if there is an effective treatment for Aids, it may come out of gene therapy," says Emini.

Many scientists believe research on Aids will resemble progress on cancer. The fight will be long and hard, and no absolute cure is likely to be discovered soon, but advances will be made. "We're eight years ahead of where we were on cancer research in the 1980s," says Emini. "We can cure some forms, and we have a number of treatments. Yet there was no blinding moment when everyone realised progress had been made. I think it will be the same with Aids."



WHO ELSE CAN

GUIDE

YOU TO

A SUCCESSFUL MEETING?



Years of experience have taught us how important business meetings are. That's why we've developed a unique Meeting Guide. It offers a wealth of practical advice and useful tips to make organising your conference or meeting as simple as possible. It also has helpful worksheets so that you don't forget those important little details that make all the difference.

So send off for our free Meeting Guide today.

Please send me a copy of the Holiday Inn Meeting Guide
Please have a Holiday Inn Meetings Professional contact me

Name: _____
Position: _____
Company: _____
Industry: _____
Address: _____
City: _____ Postcode: _____ Country: _____
Tel: _____ Fax: _____

Send coupon to Holiday Inn Worldwide, Marketing UK, Heathrow Boulevard IV, 280 Bath Road, West Drayton, Middlesex, UB7 ODQ, UK.

Holiday Inn®

STAY WITH SOMEONE YOU KNOW.

MANAGEMENT: MARKETING AND ADVERTISING

US manufacturers are questioning the value of money-off coupons, writes Richard Tomkins

Time to cut it out

Americans get more than news when they pick up a weekend newspaper. The typical Sunday morning edition, already requiring a specially reinforced breakfast table to bear the weight of its numerous sections, is further fattened by the inclusion of supplements containing page after page of clip-out coupons offering money off specified goods.

Interspersed among the 13 sections of last Sunday's New York Times, for example, were three inserts containing nearly 100 coupons inviting readers to save money on products as diverse as bleach, tea bags, cat litter and anti-flatulence tablets.

It is the same story across the country. Indeed, coupons are found in newspapers, magazines and other printed matter everywhere. Almost incredibly, some 288.5bn coupons were distributed in the US last year, with a total value totalling \$17.5bn (\$12.6bn).

But has the whole thing gone too far? General Mills, the US food group, thinks so. From next month, it is sharply reducing the number of

coupons it issues against its cereal products like Cheerios and Wheaties, preferring to cut its prices or the products by 11 per cent instead.

General Mills' reasoning is straightforward: coupons are too often a waste of money. They cost a great deal to print, distribute and handle, yet last year barely 2 per cent of those issued were redeemed.

"Because of this inefficiency, the 50 cents that the consumer saves by clipping a coupon can cost manufacturers as much as 75 cents," says Steve Sanger, General Mills' president. "It just doesn't make sense."

General Mills is planning to reduce its annual promotional budget by 30 per cent - about \$175m - by cutting back on coupons and in-store promotions. That means it will lose sales. But it reduces the net effect on revenues, which will still be much better off at the bottom line.

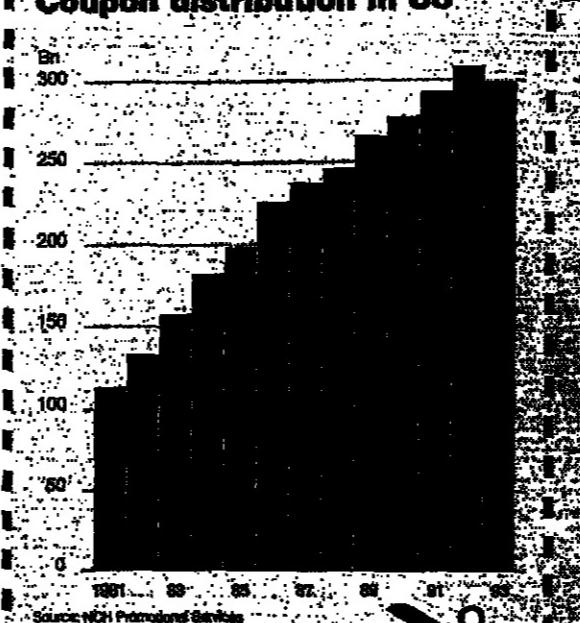
Apparently, General Mills is not the only US company questioning the efficiency of coupons. According

to NCH Promotional Services, the promotion information division of Dun & Bradstreet, the 288.5bn coupons issued last year represented a 4 per cent decline on the previous year's peak of 310bn. And because companies cut the average period of validity of their coupons, the number redeemed went down from 7.7m to 6.8m - a fall of nearly 12 per cent.

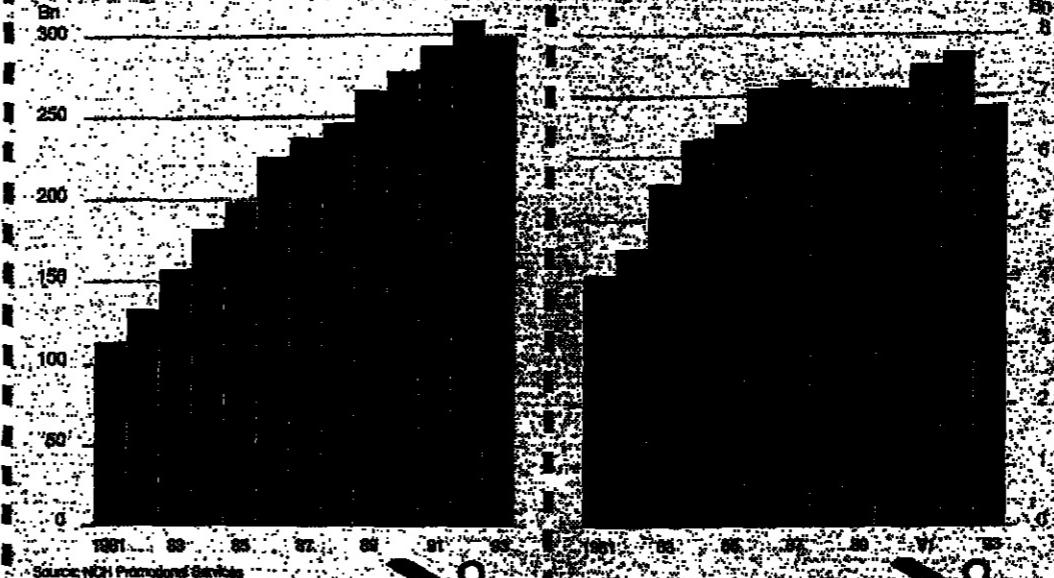
So is this the beginning of the end of the coupon? Hardly, says Jane Perrin, NCH's senior vice president of marketing. While it is true that one or two companies - notably Procter & Gamble, the consumer products group - have cut back on coupons in favour of everyday low pricing, a more significant trend is that companies are trying to improve the efficiency of coupons through better targeting.

Inserting coupons in newspapers, while relatively cheap, is a scatter-gum technique. Instead, says Perrin, companies are experimenting with more sophisticated ways of reaching their audiences. One example is the targeted mailshot:

Coupon distribution in US



Coupon redemption in US



Eastern Europe on show

More than 1,000 exhibitors from more than 20 countries will gather in London's Earls Court next month for the first Central and Eastern European Technology and Investment Exhibition (Ceetex).

The trade exhibition will be the first large-scale showcase of technology, investment and joint venture opportunities in former Soviet Union countries, Poland, the Czech Republic, Bulgaria and Hungary.

Local industries represented will include oil and gas, aviation and space, pharmaceuticals and chemicals and machine building. Other stands will be devoted to areas where eastern expertise is less developed, for example white goods and consumer durables.

Some exhibitors will be hoping to arrange sales directly to the west, says Michael Summers, managing director of the exhibition's organisers, Stirling Publishing. "Others will be demonstrating what they presently produce with a view to forging links with western businesses who can then move into their part of the world - it's a two-way process."

One of the pavilions at the exhibition, containing 30-40 stands, will be for western companies already involved, or looking for involvement in central and eastern Europe. These include AEG, Saab Scania, Hankook, Ford, Lufthansa and Amoco.

Almost half of the stands will be taken by Russian exhibitors, many of whom will never have exhibited in the west. Stirling held seminars in Moscow on how to produce brochures, display material, and even advice on appropriate dress.

The event, which is expected to draw 10,000-15,000 visitors, is being supported by two EU programmes, Phare and Taxis, which are designed to help the move from centrally-planned to market economies in central and eastern Europe.

Diane Summers
Ceetex, 9-12 May, Earls Court
Further information: 071 262 3066

Carmakers have been conducting their own customer satisfaction surveys in Europe for years. But their practice of sharing the syndicated results with each other but not the public is about to be challenged. An independent organisation - the leading US automotive consumer research group J.D. Power - has just published its own findings.

If it succeeds in transplanting its expertise in automotive market research from North America to Europe - and there are still important question marks - J.D. Power's work will bring new dimensions to car marketing in Europe.

The results of its first survey in Britain, the 1994 customer satisfaction study, have made sobering reading for most of the leading carmakers in Europe. They show that Toyota, the Japanese carmaker, has achieved the highest level of overall customer satisfaction. Its Corolla small family car was the top individual model.

The study measures car owners' attitudes to the quality of their vehicles and to the service and care they receive from dealers. The 1994 survey is based on owners of cars with a J-registration prefix, covering cars registered from August 1991 to July 1992.

In the results that are made public J.D. Power's practice is to rank individually each brand that performs above the industry average, but to name simply as a group, in alphabetical order, all those with a below-average performance. The top half of the carmakers ranked in the 1994 study is dominated by Japanese producers with Mazda and Honda in second and third places behind Toyota, Daihatsu fourth

equal, Subaru seventh, Mitsubishi 10th and Nissan in 13th place.

The highest-ranked European producer is Mercedes-Benz, at fourth equal, with Saab eighth, Skoda ninth and BMW in 11th position. Hyundai of South Korea was in 12th place with Proton of Malaysia fourth equal. The performances of the leading carmakers in the UK - Ford, Vauxhall (General Motors) and Rover - are all ranked below average in the study along with Peugeot, Citroën, Volkswagen, Renault, Audi, Fiat, Lada, Land Rover, Volvo, Seat and Suzuki.

The J.D. Power studies, first launched in the US in 1981, have been a driving force in improving quality in the US car industry.

Greeted at first with scepticism and hostility, they eventually helped to convince the big three US carmakers - General Motors, Ford and Chrysler - that they were lagging behind their Japanese rivals in customer satisfaction, and that they needed urgently to close the gap.

According to David Power, president of J.D. Power & Associates: "Detroit viewed us at first as if we were on the lunatic fringe. Then we were seen as a nuisance, and then as heretics. They challenged our methodology, but we had it evaluated by outside experts. And by 1985 we had begun to convert Detroit top management to what we were about."

J.D. Power accepts that it now faces the same sort of uphill struggle to convince European carmakers of the value of its work, as it did a decade ago in the US. Several European carmakers, in particular PSA Peugeot Citroën of France, see J.D. Power as a stalking horse for the Japanese carmakers.

The group has already had one false start in Europe, in 1988. Power insists that this time it will stay, but its work remains hampered by European data protection regulations. In much of Europe registration details such as names and addresses of car owners are kept confidential - in the UK by the state agency, the DVLA (Driver and Vehicle Licensing Agency).

To overcome this barrier, the first J.D. Power survey in the UK has been conducted in a joint venture with BBC Enterprises and the BBC Top Gear motoring programme, which solicited UK car owners to participate in the industry-wide study. From 5m viewers more than 58,000 calls were received, which produced a quota sample of 16,250 participants. J.D. Power accepts that this is not ideal for obtaining a totally representative sample, and it would prefer the co-operation of the DVLA. But "it seems to be quite bureaucratic. We met them 18 months ago and they are yet to get back to us," says Power.

Until it finds an alternative source to obtain car owner names and addresses, it will persevere with the BBC programme, and it is now actively seeking data sources elsewhere in Europe to spread the customer satisfaction gospel beyond the UK.

Can't get no satisfaction

Kevin Done on the prospect of public rankings of European cars by owners



Mitch Harris, Human Resources Manager Resins, North America

I know them all

"Human resources managers shouldn't spend too much time behind their desks. Here, they call me the hands-on manager because I'm constantly out meeting our people. I know the employees in the Resins business unit personally. That's im-

portant because it's my job to make sure that Akzo Nobel's human resources programs meet the personal and professional needs of each and every employee. And these needs vary at each of our five plants, with each local culture,

and with each employee's individual situation. Akzo Nobel respects these differences. I'm not just developing programs; I'm creating the right chemistry between me and my 'customers', the employees and their families."

Akzo Nobel is one of the world's leading companies in selected areas of chemicals, coatings, health care products and fibers. More than 73,000 people, active in 50 countries around the world, make up the Akzo Nobel workforce. For more information, write or call: Akzo Nobel nv, ACC/F12, P.O. Box 9300, 6800 SB Arnhem, the Netherlands. Telephone (31) 85 66 22 66.

CREATING THE RIGHT CHEMISTRY

AKZO NOBEL

الجلد

ARTS

The question of the week, if the nightmare sequences in *Beyond Bedlam* have not confused me, is "where is all this shit coming from?" Unless sitting through four films in a row has addled my memory, I heard it asked by a breathless Elizabeth Hurley as she hopped, Daphne Duck running on a catwalk, along the cheap corridors of this tawdry shock-horror attempt at psychological melodrama.

Suffering the fate of all mad scientists, Ms Hurley was fleeing, together with her detective-hero, from nasty images. These were inserted into their collective dream by a proto-Frankenstein serial killer whose brainwaves invaded their skulls...

It should terrify; in fact I had to shut my eyes for just a few seconds, as the screened needle went in over the opening titles, and, unmercifully, later. But why be unpleasant? Let me be mealy-mouthed.

BEYOND BEDLAM (18)
Vadim Jean**PAINTED HEART (15)**
Michael Tzav**BACK IN THE USSR (15)**
Dean Sarafian**SONATINE**
Takeshi Kitano

Beyond Bedlam is badly written, unconvincing, poorly directed and a disservice to its cast. It could, without further assistance, finally bury the reputation of British-made films. If it is offered in an air-craft, take evasive action. Make for the emergency exit and jump.

That leaves the question I fancy I heard Ms Hurley put. It is a jewel, of sorts. It encapsulates the Rattner's setting in which I keep telling myself it was delivered. It may not reveal what goes on in your mind or mine, but it certainly tells us what the moving picture industry is capable of aiming at our heads. "Where is all this shit coming from?" is exactly right for the present season, both of cinema and the news. The latter is dispiriting when made in Westminster, giddy when emanating from Bosnia. Invited to fill in for the absent Nigel Andrews, I therefore welcomed the prospect of a short respite from real life. What a fool! The great escape of science fiction is dependent upon memories of *Star Wars*. No musical, MGM or otherwise, came along to lighten the darkness. Not even the balm of syrupy romance was on offer.

Painted Heart is at least restful, if you forget the moment the hero cuts his forearm to prove his love. A quirky piece, it shows how to portray serial killers with delicacy and taste. It suggests violence without rubbing it in; passion without anyone taking their trousers off. It is lightly humorous, for which much thanks. Willie, the s.k. in question, is beaten up by his wife father. Naturally he grows up to become a murderer of old drunks, whom he lures into the back of dilapidated buildings.

This is, however, only his hobby: he holds on to his day-time job. A house-painter, he employs three assistants. One of them, Wesley, falls in love with and seduces Willie's wife Margaret, a simple soul nicely played by Bebe Neuwirth.

All the characters are of low intelligence and little education. Except for the



Craig Fairbrass and Elizabeth Hurley in 'Beyond Bedlam', a tawdry shock-horror attempt at psychological melodrama

Cinema/Joe Rogaly

The ordure of the day

absence of swear-words, the dialogue could have come from a playground. Informed by a pop-eyed Wesley that her husband is a "real certified serial killer", Margaret, eyes popping back, responds that if Willie heard that "you won't be painking around here for a long time". Her bungalow in suburban Wisconsin looks authentic; the scenes showing bored house-painters pushing their rollers up the walls of larger houses are realistic. The bars to which the painter-buddies go after work feel genuine. Robert Pastorelli plays Willie for sympathy, and gets it. Will Patton does a good empty-headed Wesley. When it all goes wrong, his relationship with Margaret, she tells him, is "a... a... cracked cup". These are weak, undemanding folk in a film which suits such characters.

There is, likewise, nothing demanding about *Back in the USSR*, a film whose essence most of us have seen many times. It is the nearest thing to a holiday for the brain. A young couple find love. First the boy, Frank Whaley, falls by accident into an adventure involving a stolen treasure left by the charming Natalya Negoda.

She plays an apprentice prostitute ("it was her first time, and she hated it"). We see her in a train the camera lingers over the Russian faces in adjoining seats. The Orthodox Church is part of the tour, as is that enduring Western image, the substandard "luxury" hotel bedroom. The underlying proposition that this may be what it was like as the Soviet Union reached its end is, however, buried by commercial garbage. Modilim, once the proud home of Eisenstein, helped make *Back in the USSR*. It is no "Potemkin", just what you might expect with a production manager called Boguslavsky.

Serial killing Japanese-style is a serious matter. The gangsters in *Sonatine* carelessly shoot one another, causing paint-pots of blood to spurt from their wounds. They are coolly, philosophically, murderous. They care neither for life nor death; so why, when they meet the latter, should we? Perhaps because this is not an entirely worthless film. Takeshi Kitano's eccentric assault on our sensibilities is carefully stylized. It is equipped with the most operant cars and the best guns of the week. Clearly the chief thugs of the

verisimilitude. When our lovebirds get on a train the camera lingers over the Russian faces in adjoining seats. The Orthodox Church is part of the tour, as is that enduring Western image, the substandard "luxury" hotel bedroom. The underlying proposition that this may be what it was like as the Soviet Union reached its end is, however, buried by commercial garbage. Modilim, once the proud home of Eisenstein, helped make *Back in the USSR*. It is no "Potemkin", just what you might expect with a production manager called Boguslavsky.

Serial killing Japanese-style is a serious matter. The gangsters in *Sonatine* carelessly shoot one another, causing paint-pots of blood to spurt from their wounds. They are coolly, philosophically, murderous. They care neither for life nor death; so why, when they meet the latter, should we? Perhaps because this is not an entirely worthless film. Takeshi Kitano's eccentric assault on our sensibilities is carefully stylized. It is equipped with the most operant cars and the best guns of the week. Clearly the chief thugs of the

yakuza are rich. Their headquarters office might have been conceived by Attali, although their temporary hide-out, in Okinawa, is properly flaky. The beach scenes, which could have been shot on any coast in the world, are ballistic. The action moves between simple pop-pop shooting and old-time vaudeville as the gunfighters hide away in a coastal house. They play games on the sand: two thin mock-sumo wrestlers in a seaweed ring; Russian roulette with no bullets; frisbee. Then everyone gets killed.

Kitano, starring in his own film, started life as a stand-up comic. He still occasionally comes across as Benny Hill, his beatific smile breaking out at regular intervals. When his moll removes her wet T-shirt he cracks a Benny Hill joke through his chubby cheeks. He remembers to look serious as he forgets how long he can leave an enemy under water without drowning him, or when he expresses fatigue at his gangsterish way of life. Tired of living, but evidently not scared of dying, he cleans his brain with a carefully-aimed bullet. It is the least he could do.

Concert/Richard Fairman

Jansons and the London Philharmonic

Even now the final act of the London orchestras' drama has not been played out. By failing to follow through its policy on creating a super-orchestra, the Arts Council has contrived to leave one of the London orchestras without a principal conductor.

The choice was essentially between the Philharmonic and the London Philharmonic. In the belief that either one or the other would get the money (but not both) Marin Jansons signalled his willingness to be principal conductor of the former while still principal guest conductor with the latter. But even a two-way bet is not guaranteed to win, when it is the Arts Council spinning the roulette wheel.

Both orchestras were reprieved and Jan-

sous had to make a choice. Doubtless because he was already in post at the London Philharmonic, he decided to stay there, leaving the Philharmonic without a successor to its departing music director, Giuseppe Sinopoli. The orchestra had been unanimous in its support for Jansons and has not identified any other conductor with whom it wants such a close relationship.

Jansons's first concert at the Royal Festival Hall since details of the backstage wrangling leaked out was a vivid example of why two orchestras should be fighting over him. During the past decade he has consistently shown that he can get razor-sharp playing out of his orchestras and the London Philharmonic will prosper if it can

continue to hold on to him. Although he is no 18th-century specialist, his Mozart is worth a hearing. A polished Symphony No 41 before Christmas was followed on Tuesday by a sparkling Symphony No 40. The clarity that he gets is remarkable, every inner part in the finale crystal clear. No doubt Mozart was intended to be the link with Schnittke's *(K)ein Sommernachtstraum*, a piece of classical pastiche that quickly turns sour with sarcasm. As in Shostakovich, the humour is delivered with a Soviet-style iron fist.

The Schnittke demands a huge orchestra, which was on hand because of Strauss's *Don Quixote* after the interval. This is a flamboyant score very much after Jansons's heart. The performance was one

of heightened contrasts: speeds and colours all more extreme than usual. It is easy to imagine the swashbuckling Jansons charging at windmills, while the eloquent cellist Heinrich Schiff looked after Quixote's idealistic dreaming and sensitivity.

Where Straussians like Karajan and Kempe used to blend the orchestra into a homogenous whole, Jansons separates out the sounds to reveal countless details, missing only the autumnal warmth of the final pages. Irony that Strauss in his 30s was already so sentimental. Jansons has turned 50 and is still a man of action.

Sponsored by the London Philharmonic's Corporate Members

Scala, May 2: Leipzig Gewandhaus Orchestra (02-7200 3744)

PALERMO

Teatro Massimo | Capuleti e i Montecchi can be seen tomorrow, Sun and next Wed with cast headed by Marcella Devia and Gloria Guidi. La traviata opens on Sat, repeated April 26, 28, 30, May 3, 5-8, 10-12 (091-6053 513)

ROME

Teatro Olimpico Tonight: Stanislav Bunin piano recital (06-320 1752) Teatro Valle Tomorrow: Netherlands Wind Ensemble. Sat, Sun, Mon and Tues: Christian Thielemann conducts Orchestra dell'Accademia di Santa Cecilia in works by Pfitzner, Martinu and Brahms (06-678 0742/06-6880 3794)

MADRID

Teatro Lirico La Zarzuela Tonight, Sat, next Tues and Thurs: Garcia Navarro conducts Guy Joncsher's production of *Un ballo in maschera*, with two programmes featuring works premiered by the orchestra throughout its 250-year history (with violin soloist Viktoria Mullova tonight and Sarah Chang tomorrow). Sat: Simon Rattle conducts CBSO in Tippett's Fourth Symphony and Bruckner's Seventh. Sun afternoon: Riccardo Chailly conducts Royal Concertgebouw Orchestra in Mahler's Seventh Symphony. Sun evening: Colin Davis conducts LSO in Schumann and Sibelius, with piano soloist Imogen Cooper. Tues: ECO plays concertos by Bach, Haydn and Mozart (071-638 8891) South Bank Centre Tomorrow: Carlo Rizzi conducts LPO in works by Schubert, Mozart and Mendelssohn. Sun: Charles Dutoit conducts Philharmonia Orchestra in Haydn, Bruch and Stravinsky.

TURIN

Teatro Regio Tomorrow: Daniel Oren conducts first night of Julia Taymor's production of Die Zauberflöte with cast headed by Wolfgang Holzmair and Daniela Lotari. Repeated April 24, 26, 28, 30, May 3, 4, 7 and 8 (011-881 5214)

VENICE

Teatro alla Scala Tonight, Sat, Sun afternoon, next Thurs: Kenneth MacMillan's *Die Zauberflöte* with cast headed by Marek Janowski and Isolde, with Siegfried Jerusalem and Gabriele Schnaut (041-621 0611)

MILAN

Teatro alla Scala Tonight, Sat, Sun afternoon, next Thurs: Kenneth MacMillan's *Die Zauberflöte* with cast headed by Marek Janowski and Isolde, with Siegfried Jerusalem and Gabriele Schnaut (041-621 0611)

Theatre

Sunset Boulevard revised

Is Andrew Lloyd Webber's new version of *Sunset Boulevard* superior to his original? Is cyndie more effective than arleen? If you gotta go, you gotta go. This way is quicker and more intense.

The main difference now is that Betty Buckley plays the diva role, the bygone star Norma Desmond. She brings it more energy and more bite, and she wears teeny-tiny turbans and wigs. Patti LuPone, who launched the role last year, seemed to have - Spiderwoman-like - more belief in Norma's own self-myth, and her vibrato was less tremulous; but she had fewer frocks to wear. LuPone, whose voice opens so powerfully at its top and can swell a phrase, reminded us that Lloyd Webber seemed to have composed the role for Barbara Streisand. Buckley, whose face has been made up like a staring pale mask, reminds us that he revised Norma for Glenn Close (in Los Angeles) - in her hammy, lethal, *Dangerous Liaisons* mode.

This exercise in compare-and-contrast, with its wealth of dull detail, is not a task that can interest intelligent adults. The most curious thing is that Lloyd Webber had to revise *Sunset Boulevard* at all. Though he is crass and corny as a composer of popular music drama, he is terrific as an inventor of blockbuster tourist attractions - usually. His canniness in finding the right theatrical formulas for his era, and in marketing them, is mighty impressive - usually. Like Eurodisney, however, *Sunset Boulevard* was not doing good enough business. Hence revisions.

But old revise it altogether. Lloyd Webber's tinkering cannot disguise the ghastly unoriginality of his mind. Other composers borrow material, but they make something personal from their borrowings. Lloyd Webber, however, simply presses musical feel-good triggers in your mind. His scores have no intention of doing anything new. He means simply to remind you subconsciously of ways you have enjoyed yourself before.

If, alas, you become conscious of this, his method becomes eminently resistible. The title song here harps on a phrase and a rhythm that are crucial to a Piaf song, "La Foule"; the central phrase of "The Greatest Show of All" uses material that works better in either the Warsaw Concerto or Rachmaninov (I wish I could remember which); and the "Let's Have Lunch" number is merely a Sondheim pastiche. And as you get to hear each of these a billion times during the course of *Sunset*, you cannot miss how little he makes of them.

In the original movie *Sunset Boulevard* you cannot miss how, when Joe escapes from Norma to write script (and fall in love) with Betty, he is escaping from a mausoleum to a world of spontaneity. Not so here. Betty's milieu is as musically repetitive as Norma's. More so, in fact.

At least Norma's New Year's Eve party breaks out of a tango into a waltz; Betty's stays stuck in a tango.

More important, in the movie, you cannot miss the appalling moral collapse of Joe, as he falls reluctantly into Norma's power. Yet here he is little better than a gigolo. Superficially, John Barrowman is an improvement on the musical's previous Joes - especially in his virile, all-American looks (a mix of Tom Cruise, Christopher Reeve, and Montgomery Clift.) But just look how smoothly he enters into Norma's clutches; he actually dances the tango, which should be too dated for Joe, with considerably more flair than she. And he sounds and acts not like an individual but like a formula.

This is the worst staging I have ever seen by Trevor Nunn. Why does Norma roar around constantly during her first number? And Joe during the title song? Why are the lines of spoken dialogue paced with such predictable rhythm? When Joe and Betty fall in love (1, "What happened?" 2, "You did," 3, they kiss) it sounds like emotion by metronome.

Alastair Macaulay

At the Adelphi Theatre, WC2.

The London Jazz Festival

The enlarged and invigorated London Jazz Festival opens on May 12 for eleven days of music in venues throughout Camden, Islington and Hackney.

Headline attractions include pianist Chick Corea with a new "Elektric" band (at the Royal Festival Hall), a rare visit from US jazzist Yusef Lateef (Union Chapel) and a six night residency with rising tenor star Joshua Redman (Ronnie Scott's).

Multi-instrumentalist joker James Morrison teams up with fellow Australian, pianist Paul Grabowsky (Sadler's Wells) and Verve starts its 50th anniversary celebrations with the Hank Jones Trio (Bloomsbury Theatre).

For a free festival brochure call 071-437 4797.

production of Vendri's *I Lombardi*, starring Ruggero Reinhold and Norma Fantini, can be seen on April 26, 28, 29 and 30 (051-529999)

FLORENCE

MAGGIO MUSICALE

The 1994 Maggio Musicale opens on Tues with the first of two concert performances of Schoenberg's Moses and Aron conducted by Zubin Mehta. Mikhail Baryshnikov's White Oak Dance Project gives a guest performance next Thurs. The festival also includes a staging of Salomé, concert performances of Shostakovich's Lady Macbeth of Mtsensk and Bartók's Duke Bluebeard's Castle, a Bob Wilson spectacle inspired by Noh theatre, recitals by Samuel Ramey and the Chung Trio, and concerts by orchestras from Dresden, Oslo, Pittsburgh and Bamberg (055-277 9226)

LONDON

THEATRE

• *Les Parents Terribles*: Sean Mathias directs Jeremy Sams' new version of Jean Cocteau's greatest stage success, about a tangle of incestuous relationships within an eccentric, self-damning family. Opens tonight in the Lyttelton (National) 071-928 2339

• *Johnny on a Spot*: Richard Eyre

directs a new production of Charles MacArthur's 1942 play - part political satire, part wise-cracking American comedy. In repertory in the Olivier with Alan Bennett's acclaimed stage adaptation of *The Wind in the Willows* (National) 071-928 2252

• *Love's Labour Lost*: a transfer of Ian Judge's RSC production from Stratford, where it was enthusiastically received last year for its high energy comedy. Stays previewing next Thurs, Press Night May 3 (Barbican) 071-638 8891

• Elgar's *Rondo*: David Pownall's funny and moving play about the composer Edward Elgar, played by Alex McCowen. This transfer of Di Trevise's RSC production from Stratford starts previewing next Wed, Press Night May 11 (The Pit) 071-638 1745

• *Hated Nightfall*: Howard Barker directs his new play about the last hours of the Russian imperial family, with a cast led by Ian McDiarmid. Till May 7 (071-730 1745)

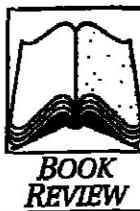
• *An Evening with Peter Ustinov*: the actor, writer and master of the anecdote is back for a limited season (Haymarket 071-930 8800)

OPERA/DANCE

Coliseum ENO last night gave the world premiere of Judith Weir's new opera *Blond Eckbert*, which continues in repertory till May 18.

Final performances of Philip Prowse's staging of Bizet's *Pearl Fishers* are tonight and next Thurs. Yevgeny Onegin runs till May 6, with cast led by Peter Coleman-Wright and Cathryn Pope, conducted by Alexander Poliachikov (071-636 3161)

Skilful navigator of the money flows



Although Gordon Pepper's book has been some years in the preparation, and is retrospectively based upon nearly 30 years of experience as a stockbroker, it is oddly topical. Its publication comes in the wake of February's sharp break in the global securities markets, and the negative reaction of markets this week to Monday's further quarter-point increase in short-term interest rates by the US Federal Reserve. Monetary conditions, as always, have a strong impact on asset prices.

Pepper began work in 1960 in the newly launched gilt-edged department of London stockbrokers W. Greenwell. At the time, the gilt-edged market was a stately and introverted place, overshadowed by a buoyant postwar equity market. Yet his time would soon come. By the mid-1970s, the government had huge deficits to finance, inflation surged, the UK securities markets staged dramatic slumps and booms, and Pepper became, through the Greenwell *Monetary Bulletin*, the most influential financial pundit in London - in the same way that Henry Kaufman of Salomon Brothers became Wall Street's dominant guru.

As a trained Cambridge economist and qualified actuary, Pepper brought exceptional knowledge to bear upon the rather mundane (in the 1960s) world of UK government securities. He found himself drawn towards the deeply unfashionable field of monetary economics in a period when Keynesianism carried all before it and monetary policy, after many years in the deep freeze, was beginning to run wild.

His book appears to be a delayed encapsulation of the perceptions he gained in the 1970s and early 1980s of the impact of money flows on the securities markets.

It is a gilt-edged expert's view of equities: share prices in the short term do not, he argues, depend in any substantial way upon conventional valuation factors such as dividends or profits, but primarily upon bond yields. Flows of money, he argues, explain the paradoxes that make it so hard

MONEY, CREDIT AND ASSET PRICES

By Gordon Pepper

Macmillan, 304 pages, £40

for the man in the street to understand or trust the stock market. Share prices go up when unemployment is rising, and production is weak, but just when the economy appears to be showing decent recovery - as it is now - the indices begin to stumble.

It is a question of timing. In the short run, the effect of the economic recovery on the flows of funds within the economy is to reduce the surpluses that have been pushing down long-term interest rates and pushing up share prices. Pepper's department at City University Business School, where he is now professor of banking and finance, studied the UK stock market indices from 1967 to 1989. It concluded that dividends had a negligible influence on the indices within a year or two, but the gilt-edged market had quite a powerful impact over such a time period. After five years, however, the "real" factor of dividend growth was more influential than gifts.

Pepper's conclusion is: don't use the behaviour of aggregate dividends and earnings as a basis for forecasting the overall level of the stock market over a year or two (although this might not apply to individual stocks). Instead focus on the flows of funds and especially upon imbalances within the financial system.

This leads on to the other main theme, the cyclical forces within the monetary economy. In the 1960s and early 1970s, for instance, UK banks used to swing from financial deficit to surplus and back again during the economic cycle. This led to predictable changes in demand for gilt-edged and sterling.

Nowadays the patterns are more difficult to interpret, because most western economies have opened up to international flows of funds. Cycles in the securities markets tend to be longer, but are punctuated by sharp setbacks. Pepper does not bring his analysis sufficiently up to date in this respect (though there is a late chapter on cross-border flows). But he points out that securi-

ties markets respond strongly to an economic recession and subsequent recovery - more strongly than should be expected by believers in the efficient market hypothesis, who might assume the predictable movements in interest rates would be discounted in advance.

Coming right up to the minute, for instance, why did the international bond markets respond so negatively earlier this week to the latest Fed tightening? The rise in interest rates was scarcely unexpected, and most investors expect further rises soon.

Pepper's views on this particular issue are a matter for conjecture, but his general approach is to point to market participants who are forced into transactions for non-investment reasons. In certain circumstances markets can have a "nasty feel" which professionals recognise. Imbalances are developing, and forced sellers exist.

Alternatively, certain kinds of speculators may push the markets to unsustainable levels. In these conditions crowd psychology may be much more important in explaining market prices than the rational expectations of individuals which are the basis of conventional financial market theory.

Unfortunately Pepper does not fully develop the relationship between his monetary approach and the efficient market analysis - for instance, in the impact of fluctuating discount rates. And too many of his examples go back to the 1970s and earlier (although there is a lengthy discussion of the 1987 stock market crash).

The core of the book is in a few short early chapters. Many later sections are reprinted papers and speeches of variable vintages, which make the book appear rather disjointed.

All the same, the text is full of the kind of original analysis and insights which made the *Monetary Bulletin* such essential reading for many years. For amateurs and professionals alike wishing to deepen their understanding of the often mysterious and counter-intuitive fluctuations in asset prices, this book provides essential reading.

Barry Riley

What do you do if a confused idea has a seemingly irreversible hold on politicians and businessmen? Oppose it to the bitter end, saying in adaptation of King Lear: "No sense will come from nonsense: speak again prime minister?" Or redefine the idea to mean something sensible?

The first attitude describes the reaction of the Treasury's economic thinkers to the UK government's promise or threat to publish a 'competitiveness' white paper on May 16 (a deadline likely to be missed). The second is the alternative preferred by thinkers at the Department of Trade and Industry, who would like to redefine competitiveness to mean overall economic performance.

My sympathies are with the doubters. Competitiveness is a concept that applies to companies not countries. The interests of Coca-Cola and Pepsi-Cola are largely at the expense of the other. The economic interests of the US and Japan, and of the European Union and post-communist Europe, are not.

There is a limited meaningful sense in which one can talk about an individual nation being uncompetitive. It may have cost levels at prevailing exchange rates which are so high as to undermine the solvency of otherwise profitable companies or to threaten jobs which would otherwise be safe. It is in this sense that the UK was seen as uncompetitive at the 1990-92 ERM exchange rate.

Uncompetitiveness here means an overvalued exchange rate. It is rarer than supposed. Not every country can have an overvalued exchange rate. Moreover, if a currency has repeatedly depreciated, and the benefits are repeatedly offset by rising domestic costs, then its problems are not those of competitiveness even in the narrow, parochial sense, but of a different kind - often labour market ones.

The well-known US economist, Professor Paul Krugman, diagnoses the European unemployment problem: "Taxes and regulations imposed by Europe's elaborate welfare states have made employers reluctant to create new jobs, while a generous level of unemployment benefits has made workers unwilling to accept the kind of low wage jobs that help keep unemployment comparatively low in the US." These difficulties are, he thinks, aggravated by exchange rate links with post-unification Germany.

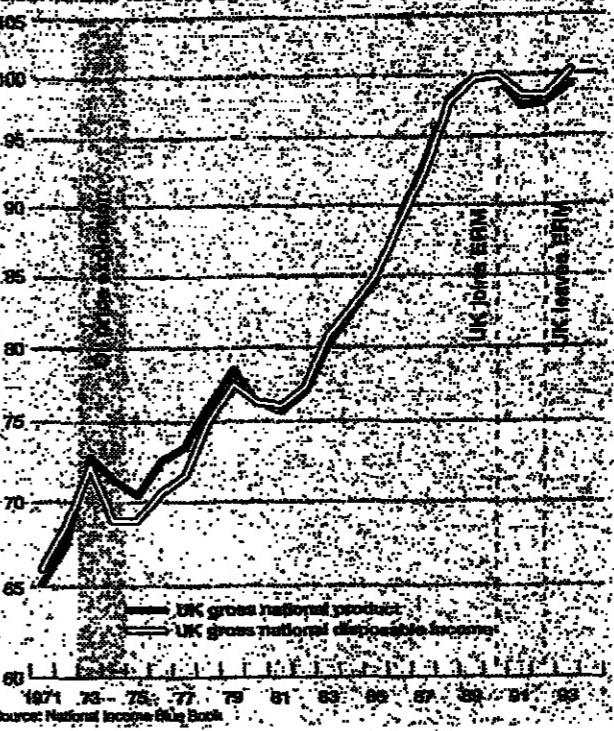
ECONOMIC VIEWPOINT

'Competitiveness' rides again

By Samuel Brittan

The small effect of competitive adjustments

Index numbers 1990=100 (log scale)



Source: National Income Statistics

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

UK gross national product
UK gross national disposable income

50 60 70 80 90 100 110

1971 73 75 77 79 81 83 85 87 89 91 93

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Thursday April 21 1994

Hard cop, soft cop

AOn Tuesday Mr Andrei Kozyrev, the Russian foreign minister, warned the Bosnian Serbs "not to test the patience of the world community". The remark must be considered significant, since where Serbs are concerned Russia until now has been easily the most patient member of the UN Security Council.

Mr Kozyrev did not go so far, however, as to accept the advice of his special envoy Mr Vitaly Churkin, who said on Monday that he was now ready to support the use of force against the Serbs. The considered view of the Russian government, issued after a meeting chaired by President Boris Yeltsin yesterday, is that "the possibility of a peaceful settlement of the conflict remains realistic".

Meanwhile in Brussels, the North Atlantic Council gave a favourable but cautious response to the request from the UN secretary general, Mr Boutros Boutros Ghali, that Nato should make its air power available for the protection of the UN-proclaimed "safe areas" in Bosnia. So far Nato air power has been used only to enforce the no-fly zone, and to defend UN personnel under direct attack on the ground. But last February Nato used the threat of air strikes to get the Serbs to withdraw their heavy weapons from a 20km zone around Sarajevo, or place them under UN supervision. The plan now put forward by Mr Boutros Ghali reportedly proposes to use the same formula for Gorazde and the other four "safe areas".

Nato ultimatum

This could be presented as even-handed in that, as in Sarajevo, the same terms would be applied to heavy weapons in the hands of the Bosnian government. But the Serbs are bound to see the threat as directed primarily against them, and after their successful defiance of the UN and Nato in the last 10 days it cannot be taken for granted that they will comply with a new ultimatum.

If Nato issues a new ultimatum, therefore, it may well have to act on it; and since it would be doing so at the UN's request, this would bring both organisations into direct confrontation with the Serbs. As last week's events showed, it is no good imagining that in that event the Serbs would

Procter and guess what

The financial news has acquired a distinctly gamey flavour of late. The Granite group of hedge funds disappears with \$500m of investors' money, a top bond trader at US investment bank Kidder Peabody turns out to have invented \$360m of phantom profits to help swell his profit-related bonus; Bankers Trust sees its trading income collapse from \$44m in the final quarter of 1993 to a mere \$14m in the first quarter of this year and is sued by Procter & Gamble over advice on derivatives. Is this par for the course, nowadays, in high finance and banking? Or is something novel afoot?

Whatever the details of the particular stories, the principles involved are not notably new. Granite owed its problems to a combination of excessive borrowing and poor financial control over complex investment strategies. Kidder Peabody has simply been the victim of old-fashioned fraud. As for Bankers Trust, it is one of many banks whose trading profits have been hit by the fall in global bond markets.

From the point of view of banking supervision the accelerating rate of financial innovation may pose problems, but the nature of the risk involved is entirely familiar. In the main, new instruments like derivatives are designed to isolate or combine existing risks. In most cases that means market risk, credit risk or something akin to the risk in insurance underwriting. If there is a novel aspect in recent events, it may be more in a change in the structure of the banking industry itself.

Potential conflicts

Over the past decade or so the proprietary trading activities of wholesale commercial and investment banks have come to account for a disproportionate amount of their activity and profit. After a realistic allocation of costs and provisions, it is in some cases a bigger contributor to profits than net interest income. Financial intermediation - the task of taking deposits and lending - has become less profitable and has been shrinking in importance.

Part of the dealing is conducted on behalf of clients, though some consists of low risk arbitrage. Yet while bankers tend to talk of their trading activity as though it is

You've heard of no smoking offices, no smoking flights, no smoking zones and no smoking days. Now meet the no smoking country - or something well on the way to it.

Smokers in the US, and the cigarette makers, have never had it so bad. After two decades of relatively ineffectual opposition from anti-smoking activists, they face an unprecedented outbreak of hostility from politicians, government officials, business and the public.

In many settings, the expression "Mind if I smoke?" now prompts the sort of reaction that might once have been reserved for the suggestion: "Mind if I stay?" So reviled has the habit become that, if legislators and their supporters succeed in their aims, smoking will be regarded as behaviour to be indulged in furtively, if at all, in the privacy of the home, car, or a special smoking chamber.

One example of the pressure is a bill before Congress that would ban smoking in all buildings regularly entered by 10 or more people a week, except the home. In effect, this would embrace all factories, offices, bars, restaurants and night clubs - though specially designated smoking rooms would be permitted if they were sealed off from the rest of the premises and had separate outdoor ventilation.

That bill, sponsored by the anti-smoking Congressman Henry Waxman and backed by the Clinton administration, is expected to go to a vote in a congressional sub-committee in the next few days. Conceivably, it may fail. But it is only slightly more restrictive than other measures under consideration or already coming into force.

The US labour department's Occupational Safety and Health Administration is seeking a federal ban on smoking in the workplace. Since bars, restaurants and other places of entertainment are also places of work, they would be included - though, as under the Waxman bill, sealed-off smoking rooms would be allowed.

The Food and Drug Administration, another federal agency, has claimed it has evidence that the tobacco industry is adding nicotine to cigarettes to keep smokers addicted. It has asked Congress to rule whether it should start controlling the sale of cigarettes as a drug or, alternatively, whether nicotine in cigarettes should be banned.

The US defence department has banned smoking in all military workplaces, ranging from military bases to tanks and battleships. The Clinton administration has also banned smoking in school buildings and health centres.

Hundreds of ordinances have

Showdown in the last gasp saloon

Smokers and cigarette makers in the US are facing unprecedented hostility, says Richard Tomkins



Source: US Department of Commerce

six hours, introduced in 1990; and the federal excise tax, though increased several times, is still only 24 cents a packet.

At the beginning of last year, however, two things happened that changed the climate. One was a report from the US Environmental Protection Agency that classified tobacco smoke as a class-A carcinogen and blamed passive smoking for an estimated 3,000 lung cancer deaths a year. The other was a decision from the Clintons on Inauguration Day that the White House

was to be a smoke-free zone.

The Environmental Protection Agency report has had far-reaching effects in the US because it has enabled non-smokers to claim that cigarette smoke is not just an irritation, but a menace to their health.

It is largely on the back of this report and later ones giving more weight to it, that the US has seen a wave of anti-smoking ordinances aimed at safeguarding the health of non-smokers in public places.

Meanwhile, the Clintons' anti-smoking stance has undermined the political influence of the tobacco industry, shifting the balance of power in favour of anti-smoking activists.

Could it be curtains, then, for Philip Morris, RJR Nabisco, American Tobacco and the other US cigarette makers? Certainly, they are on the defensive. Such is the abuse being heaped on the tobacco industry, and so great the obstacles being thrown in its path, that it is tempting to ask why its executives do not

simply give up and try something else.

One reason they have not is that, though the US market may be turning ugly, new markets for cigarette exports are opening up worldwide. For example, Philip Morris and RJR Nabisco ship more than 10bn cigarettes a year to the former Soviet Union, adding \$100m a year to sales. The total market in the former eastern bloc countries is estimated at about 700m cigarettes a year, far exceeding the 495bn consumed last year in the US.

The cigarette makers, wary of accusations that they are exploiting ignorance of smoking-related health risks in less developed countries, play down the export opportunities, saying that profit margins on overseas sales are lower than on domestic sales. In any event, prospects in the US may not be quite as bad as they seem.

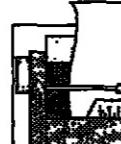
For one thing, cigarette manufacturers still derive big profits from the US market: Philip Morris and RJR Nabisco alone made operating profits totalling \$4bn from domestic tobacco sales of \$15bn last year, even during a vicious price war. As long as that kind of money is available, the industry will fight to the last to defend its market. Last month, for example, Philip Morris filed a \$10bn lawsuit against the ABC television network for broadcasting a programme claiming that the company added nicotine to its cigarettes.

There must also be doubts about how quickly the government could move towards total prohibition, if it developed the will to do so. Apart from the political considerations, a sudden collapse in the \$45bn a year spent on cigarettes in the US would leave a big hole in the economy, and a cut in the \$16.5bn a year collected in tax revenue could be even more awkward, especially at a time when government is looking for funding for healthcare reform.

Meanwhile, although total cigarette consumption continues to fall in the US, there are signs that the proportion of people who smoke has bottomed out at about 25 per cent, and may even be rising again among the youth, women and ethnic minorities. Moreover, according to Ms Faith Popcorn, a New York marketing consultant, some middle-class adults are sick of healthy living and have started lighting up in a rebellion against political correctness - a trend she calls "pleasure revenge".

Smokers, it seems, have little to look forward to but vilification. They will also find it harder to find an appropriate or convenient place to indulge their habit. But neither they, nor the tobacco industry, believe they have quite had their last gasp - at least, that is, not yet.

Transparency the best regulator



What should be the purpose of financial regulation? Too often, debate on this issue has centred on the goal of "consumer protection" with the need to maintain the efficiency and effectiveness of the UK financial services industry and markets.

Such a view is based on a false premise. The problem is not that the competition will be damaged by investor protection, but that there is not enough competition in the first place. The goal of regulation should be to introduce more competition in the industry. The best protection which any consumer can have is the existence of a clear and transparent market.

The market for personal financial services may seem highly competitive with every local high street full of banks, building societies, brokers and insurance companies. But how does this competition work from the point of view of the consumer? The fact is that there is a wide variation of performance between companies on almost every measure, whether

it is costs, investment returns, surrender values, lapse rates or sales-force turnover. Yet there is no clear dynamic in the market to force poor providers to improve their performance or to reward efficient companies. Consumers cannot see these differences because of the lack of disclosure, and companies can get away with flouting standards because of a lack of rigorous enforcement. So long as this continues, it is not even in the interests of the efficient providers to change the situation, since they gain extra profits from this.

In the UK, companies gain customers not by out-competing their rivals in terms of providing better and more efficient products, but by owning and controlling distribution outlets (at times, regardless of cost, such as when companies were buying up estate agencies or tying with building societies). The consequence is that we have a market with many new entrants over the last few years as new distribution outlets are set up or purchased. On the other hand, there have been few exits. More sales people are chasing about the same number of custom-

ers. Customers gain little from these new entrants; few have come into the market with innovative products that offer something distinctive.

The goal of regulation should be to break this log jam. What is needed is regulation that will enable the customer to distinguish between good and bad companies. This can be achieved by intervening.

Regulation should enable the customer to distinguish between good and bad companies

in the market from two directions.

On the demand side, the Treasury's recommendations on information provision and disclosure should be pursued with all speed. Attention should focus in particular on revealing the cost of the product and its value to the customer. Broader data on surrender rates, lapse rates and salesforce turnover rates should be placed in the public

domain for debate by interested parties. On the supply side, there should be stronger intervention in order to raise the standards by which companies operate. Standards should not be determined according to what companies claim they can afford, but by objective criteria decided by the regulators.

Regulation should not be constrained by a requirement to ensure the survival of existing companies. Disclosure and the creation of high standards go together, because they will force companies to become more efficient or go out of business while deterring potential new entrants unless they can offer something significantly new.

Can self-regulation work in these circumstances? The evidence is that existing regulatory bodies have not established an autonomy from the interests of those which finance them and control their decision-making. Such bodies are unlikely to put in place measures which aim to increase competition to such an extent that some companies will have to leave the market.

The sensible solution is to establish a form of state regulation now,

rather than wait another few years for the Personal Investment Authority to fail. State regulation should have as its primary goal the creation of the conditions for ensuring a competitive market in this industry. Such a goal will bring benefits to consumers, as it will ensure disclosure and standards are achieved rapidly and fairly across the industry. In doing so, it will also bring advantages to those companies which are operating efficiently.

The companies which will suffer are those which have not been operating efficiently, which have been winning market share through high-pressure sales tactics, but not offering good value products. Their exit will damage only themselves, while benefiting the industry.

Glenn Morgan

The author is lecturer in management at the Manchester Business School, the University of Manchester. He has recently completed a report: "The regulation of personal financial services"

OBSERVER



Waterman sits. ASK has recently narrowly avoided going under - ironically and depressingly. Waterman admits, by having to deploy some of the tough cost-cutting tactics his book deplores.

"We've got to be fairly ruthless or the whole thing might go down - that's how I defend myself to my wife, anyway."

Modest score

An unreliable Australian reader reports hearing Don Bradman being interviewed after Brian Lara's innings of 375.

The great batsman was asked what he would have scored on the St John's pitch against the England attack.

"Oh, 60 or 70," said Bradman.

"But you averaged 99.94 in tests," Sir Donald," said the interviewer.

"Yes, but I am 85 years old," replied Bradman.

Bubbles

Is the Veuve Clicquot Business Woman of the Year award in danger of losing its fizz? After 21 years of boosting female executives, it's beginning to look almost as accident-prone as the now defunct Guardian Young Businesswoman of the Year scheme.

Remember Sir Clive Sinclair,

John Gummer, British and Commonwealth and John Ashcroft

Iverson, who made it to the short list of five for the 1993 awards, to be presented today. With cavalier disregard for the champagne-maker's feelings, Iverson cracked in her job at Mothercare earlier this week.

Sun stroke

Shame that South Africa doesn't have its own version of The Sun newspaper. Its front-page headline could thus have recorded chief Mangosuthu Buthelezi's being dragged into the elections: Gotcha!

Bell's clanger

John Major is not the only one on the receiving end of serious flak for the shambles over how to celebrate the 50th anniversary of D-Day. Sir Tim Bell, Lady Thatcher's favoured public relations guru, has seen her reputation in Whitehall plummet as the din over commemoration of the Normandy landings has increased.

It was Bell - for a trifling £50,000 of taxpayers' money - who suggested that nationwide street parties and spam-friter frying contests would provide a suitable tribute.

When protesting veterans said such events trivialised a battle which killed 37,000 allied soldiers, the complaints were initially dismissed.

as "their problem".

Now it is Sir Tim's problem - if the fulminations of one leading minister are to be believed.

Euro-turtle

Why should long-suffering British commuters expect the trains to run on time? Just lie back and enjoy Eurotunnel's on-going farce. Of course, it's less fun for shareholders, in place of profitable train schedules they have had to accustom themselves to weighty volumes of speculative traffic projections, the latest litigation news and calls for funds.

But - miracle of miracles - a revenue stream is now in prospect. Admittedly it does not derive from a train: nothing so prosaic. Instead, immediate cash hopes are being pinned on mugs, picture books, key-rings and bone china thimbles, as Eurotunnel discovers merchandising.

Let's hope it doesn't go the way of mutant ninja turtles: very big indeed - for a day or so.

Bertie's banger

Are the gods saying something to Bertie Ahern, Ireland's finance minister? His £230,000 official car has just been stolen from under the nose of his police driver. A Garda patrol car gave chase, only to be rammed - by another stolen car.

Thursday April 21 1994

Slogan aims to ensure the last shall be first Buthelezi seeks miracle poll result for Inkatha

By Patti Waldneir
in Umlazi, KwaZulu

"Go for the bottom." With that catchphrase, Chief Mangosuthu Buthelezi, leader of the Inkatha Freedom party, yesterday launched an energetic, if belated, campaign for next week's South African elections.

He meant the bottom of the ballot paper, the spot reserved for Inkatha as the tardiest entrant to the election campaign. Chief Buthelezi explained this to several thousand followers at his first campaign rally yesterday, delivering an impromptu lecture on voter education - as well as an extended eulogy of self-congratulation - to Zulu warriors brandishing spears and firearms in the Inkatha tradition.

Carefully limiting all damage in advance, Chief Buthelezi told a patient crowd at Umlazi, the capital of the KwaZulu "homeland" which he heads, that it would be "a miracle" if Inkatha did well in the poll, given its late entry to the race. But as a man who believes in miracles - he has por-

trayed the last-minute peace deal which brought Inkatha into the elections as a divine intervention - the chief believes Inkatha will still achieve a miraculous result.

If it does not, his officials made clear, Inkatha will simply reject the result. "The elections will not be free and fair if IFP does not win in Natal," said Mr Albert Mncwango, an Inkatha central committee member, prompting nightmare visions of violent rejection of the poll outcome if Chief Buthelezi's dream of overwhelming support is not borne out.

"We are going to vote, even if they shoot at us and kill us, we go, we go, we go," his supporters sang to the tune of a liberation song popularised by Inkatha's main rival, the African National Congress. Indeed, Inkatha appeared to be borrowing heavily from the rhetorical repertoire of the ANC: chants such as "Amanzi" (power) could almost be parodied by the ANC. The war song "We are soldiers who never sleep," sung by the crowd, was almost the anthem of the ANC.

The cherry blossoms of Shinjuku gardens, a hardsy double-bloomed variety, are among the last to fall in Tokyo.

It was poetically appropriate that Mr Morihiko Hosokawa put in an appearance at the gardens yesterday for the final official display of his ephemeral administration, the prime minister's annual blossom viewing party. Mr Hosokawa and Shinjuku's fragrant pink blossoms will both fall in the next few days, each marking the end of a different kind of spring. Will they both fade into obscurity?

The parallel was not lost on the 7,000 or so members of Tokyo's elite who yesterday joined Mr Hosokawa for a celebration tinged with nostalgia.

The more literary of the politicians staged an informal competition for the most apt haiku a three-line musing poem.

"A flower does not lament. It

military wing, Umkhonto we Sizwe (Spear of the Nation). Mr Mncwango insists the ANC stole it from the IFP.

The crowd was large and obedient, a reflection of the disciplined Inkatha party machine which is spewing out election posters by the thousands. Inkatha officials point out that the posters were printed weeks ago, with suitably vague messages which could accommodate either a boycott or participation in the poll.

One popular placard said: "When the time is right, vote IFP." Chief Buthelezi made clear yesterday the right time had come.

As always, Chief Buthelezi's message was both traditional and modern: with men wearing robes of leopard-skin with truncheons, and women in bead skirts who made a concession to modern propriety by covering the bare breasts of tradition with incongruous brassieres. But mostly, in the tradition of leaders throughout Africa, Chief Buthelezi's aim was to celebrate the group which bears his name.

Prosecutor to examine banks' role in fall of Schneider

By David Waller in Frankfurt and Judy Dempsey in Berlin

The Frankfurt state prosecutor's office is examining the role of the banks in the events which led to the collapse of the Jürgen Schneider property group last week.

Mr Hans-Hermann Eckert, a spokesman for the prosecuting authorities of the state of Hesse, said he could not rule out the possibility that banks would be suspected of "involvement in fraudulent activity" or "abstention from fraudulent activity" in the Schneider case. The group went bankrupt with debts of more than DM5bn (\$2.5bn).

Mr Eckert made it clear the role of the banks would be examined as part of the investigation into the affairs of Mr Jürgen Schneider, the property entrepreneur whose disappearance two weeks ago triggered the crisis at the group which bears his name.

Deutsche Bank, which is the largest creditor to the Schneider group with outstanding loans of DM1.2bn, said it welcomed the state prosecutor's investigations as a means to clear up the Schneider fraud case.

It was confident the investigations would yield no basis for prosecution against the bank, and reiterated a willingness to help the prosecutors' office. The bank has already faced complaints from the prosecuting authorities that it withheld information after learning about Mr Schneider's departure on April 7, four days before the group's problems were made public. This has been vigorously denied.

"We are also doing all we can to establish how the fraud could have come about," the bank said. Internal investigations focus on the bank as well as Deutsche Centralbodenkredit AG, the property lending subsidiary which accounts for the bulk of the banking group's DM1.2bn exposure to the Schneider group.

Separately yesterday, the association representing tenants of the prestigious Mäder-Passage development in the heart of the eastern German city of Leipzig, launched a legal action against Mr Schneider. He bought the historic property in 1991, and after renovation rented out space there for DM200 a square metre.

The tenants, who rented from CIP, Mr Schneider's real estate agency, said they had unknowingly made their monthly rental payments into an anonymous account since 1992. An estimated DM2m was paid in each year, but none of the payments can be traced, the tenants allege in their filing with the Frankfurt state prosecutor's office.

The claim follows Deutsche Bank's own legal action in which the bank alleged Mr Schneider presented fraudulent information when applying for credit to finance the Zeigalerie shopping development in Frankfurt.

New order nobleman In ascent at summer's crest By spring was felled

William Dawkins in Tokyo reports on the poetic finale to Morihiko Hosokawa's premiership

takes one day at a time," professed one member of parliament.

Another part-time poet, Mr Satoshi Eda, minister for science and technology, was also inspired by the brief life of the petals:

"Blossom falls without providing peace of mind."

Mr Eda was doubtless thinking of his government colleagues who could not join the party. They were still locked in smoke-filled rooms for 12th day of negotiations over the next coalition.

By the evening, party officials were a fraction closer to agreement on unpoetic things such as national security, North Korea and tax, indicating that they might just make a decision before the last of Tokyo's blossoms fall.

Mr Hosokawa, who has con-

fessed recently to feeling like a caged bird that has just been freed, looked more relaxed in the Shinjuku gardens than he has been for months.

The aristocratic prime minister admitted he had no particular plans beyond taking things easy for a while. Mr Tetsutomo Hata, his likely successor, did not join the haiku competition, being more of a musician than a poet - he is reputedly one of the famous karaoke singers in the Japanese parliament.

"I just came here quietly to enjoy the cherry blossom," he said, laughing. "Perhaps I was naive," he laughed. It could, given the storminess of Mr Hosokawa's eight-month government, have been Mr Hata's last opportunity for quiet enjoyment for some time.

IMF calls for reform of labour market

Continued from Page 1

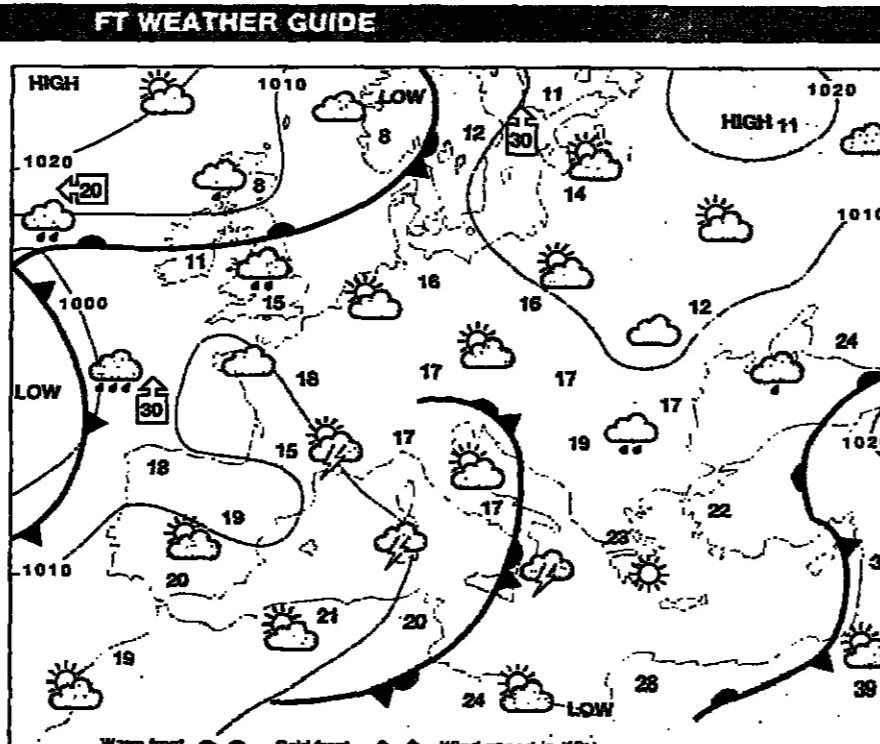
a long time, while high minimum wages can increase job losses among the young and low skilled. High payroll taxes, nationwide pay deals that hit companies in weaker sectors and regions, and restrictions on laying off workers were blamed for adding to the high level of unemployment in Europe. The IMF also identified

similar problems in Australia. It argues that the "bulky" of such unemployment in Europe and Australia is now structural, and that its economic and social costs are "enormous".

Mr Flemming Larsen, an IMF economist, yesterday said reducing structural unemployment in Europe could generate income for cutting budget deficits and raising living standards. The IMF

cites New Zealand, where the unemployment rate fell by 2 percentage points between March 1992 and September 1993, as an example of the benefits of thorough-going labour market reform.

The reform of UK industrial relations in the 1980s may also have contributed to the unusually early fall in unemployment during the present recovery.



TODAY'S TEMPERATURES

	Maximum Celsius	Cloudy	24	Caracas	Fair	30	Edinburgh	Rain	9	Madrid	Fair	19	Rangoon	Sun	37
Abu Dhabi	fair 32	Cloudy	min 10	Cardiff	Cloudy	14	Faro	Fair	18	Majorca	Fair	20	Peru/Kiwi	Fair	4
Acra	fair 32	Cloudy	20	Casablanca	Fair	19	Frankfurt	Shower	19	Malta	Fair	20	Rio	Thunder	28
Algiers	sun 21	Cloudy	18	Chicago	Sun	15	Geneva	Shower	15	Manchester	Cloudy	14	Rome	Fair	17
Amsterdam	sun 21	Cloudy	26	Cologne	Fair	19	Gibraltar	Fair	20	Manila	Fair	34	S. Africa	Fair	18
Athens	sun 21	Cloudy	22	Dubai	Fair	34	Glasgow	Rain	24	Melbourne	Cloudy	18	Soul	Fair	18
Atlanta	sun 28	Cloudy	27	Dallas	Fair	27	Hamburg	Cloudy	26	Montevideo	Thunder	27	Singapore	Thunder	32
B. Aires	fair 20	Cloudy	17	Brussels	Fair	27	Helsinki	Fair	12	Milan	Shower	30	Stockholm	Fair	14
B. Japn	cloudy 15	Cloudy	19	Budapest	Fair	19	Hong Kong	Shower	29	Montreal	Fair	18	Sydney	Fair	22
Bangkok	fair 35	Cloudy	13	Dubai	Fair	31	Honolulu	Cloudy	26	Moscow	Fair	13	Toronto	Fair	16
Barcelona	fair 17	Cloudy	19	Dublin	Rain	17	Istanbul	Fair	17	Nairobi	Fair	16	Tel Aviv	Fair	34
				Dubrovnik	Cloudy	19	Jersey	Cloudy	9	Munich	Shower	16	Tokyo	Fair	18
				Kuala Lumpur	Fair	24	Karachi	Fair	34	Nairobi	Fair	17	Toronto	Fair	10
				Lagos	Fair	23	Khartoum	Fair	24	Naples	Shower	17	Vancouver	Fair	10
				Las Palmas	Sun	21	London	Fair	15	Paris	Shower	15	Vienna	Fair	19
				Lima	Fair	25	Madrid	Sun	15	Peru/Kiwi	Shower	18	Wellington	Rain	13
				Lisbon	Fair	19	Moscow	Sun	22	Prague	Rain	19	Winnipeg	Sun	12
				London	Cloudy	16	Oslo	Shower	19	Prague	Rain	16	Zurich	Shower	18
				Luxembourg	Fair	18	Paris	Fair	18	Rome	Rain	19			
				Lyon	Cloudy	19	Washington	Fair	19	Stockholm	Rain	19			
				Madrid	Fair	20	Wellington	Rain	13	Toronto	Rain	19			

Lufthansa
German Airlines

Prosecutor to examine banks' role in fall of Schneider

By David Waller in Frankfurt and Judy Dempsey in Berlin

The Frankfurt state prosecutor's office is examining the role of the banks in the events which led to the collapse of the Jürgen Schneider property group last week.

Mr Hans-Hermann Eckert, a spokesman for the prosecuting authorities of the state of Hesse, said he could not rule out the possibility that banks would be suspected of "involvement in fraudulent activity" or "abstention from fraudulent activity" in the Schneider case. The group went bankrupt with debts of more than DM5bn (\$2.5bn).

Mr Eckert made it clear the role of the banks would be examined as part of the investigation into the affairs of Mr Jürgen Schneider, the property entrepreneur whose disappearance two weeks ago triggered the crisis at the group which bears his name.

Deutsche Bank, which is the largest creditor to the Schneider group with outstanding loans of DM1.2bn, said it welcomed the state prosecutor's investigations as a means to clear up the Schneider fraud case.

It was confident the investigations would yield no basis for prosecution against the bank, and reiterated a willingness to help the prosecutors' office. The bank has already faced complaints from the prosecuting authorities that it withheld information after learning about Mr Schneider's departure on April 7, four days before the group's problems were made public. This has been vigorously denied.

"We are also doing all we can to establish how the fraud could have come about," the bank said. Internal investigations focus on the bank as well as Deutsche Centralbodenkredit AG, the property lending subsidiary which accounts for the bulk of the banking group's DM1.2bn exposure to the Schneider group.

Separately yesterday, the association representing tenants of the prestigious Mäder-Passage development in the heart of the eastern German city of Leipzig, launched a legal action against Mr Schneider. He bought the historic property in 1991, and after renovation rented out space there for DM200 a square metre.

The tenants, who rented from CIP, Mr Schneider's real estate agency, said they had unknowingly made their monthly rental payments into an anonymous account since 1992. An estimated DM2m was paid in each year, but none of the payments can be traced, the tenants allege in their filing with the Frankfurt state prosecutor's office.

The claim follows Deutsche Bank's own legal action in which the bank alleged Mr Schneider presented fraudulent information when applying for credit to finance the Zeigalerie shopping development in Frankfurt.

Choose from two monochrome and one colour LCD screen options.

Upgradable VGA video adapter supports SimulScan (displays on notebook screen and external monitor at the same time).

Built-in PCMCIA 2.0 slot accommodates the latest credit-card-sized connectivity options.

Built-in power supply (no 'brick').

Integral trackball 'mouse' with drag lock button.

Removable, interchangeable hard disk module.

Use one battery pack, or two for twice as long.

Intelligent EPP2 parallel connector.

INTERNATIONAL COMPANIES AND FINANCE

First-quarter rise at BankAmerica due to cost cuts

By Patrick Harverson
in New York

BankAmerica, the second largest banking group in the US, yesterday reported a modest increase in first-quarter earnings to \$513m, or \$1.27 a share. In the same quarter last year, the bank earned a profit of \$484m, or \$1.19.

The improvement in earnings, however, was due entirely to cost reductions and lower loan loss provisions, which helped offset losses in trading and net interest income.

Like the rest of the industry, BankAmerica suffered in the latest quarter from the sharp rise in US interest rates, which squeezed its net interest margin, and from unfavourable conditions in the equities, bond and currency markets, which cut into trading profits.

BankAmerica said that net interest income declined by 3

per cent to \$1.79bn as the bank's net interest margin shrank by 27 basis points to 4.46 per cent. The total of loans outstanding in the quarter was little changed compared with a year earlier, at \$123.4bn.

Non-interest income fell 8 per cent to just over \$1bn, a reflection primarily of a drop in trading income to \$74m from \$164m a year ago. Various fee and commission incomes, however, held steady.

Non-interest expenses fell almost 3 per cent in the quarter to \$1.78bn, its lowest level since the 1992 merger with rival California bank Security Pacific.

Provisions for loan losses were \$125m, almost half what they were in the same quarter a year ago.

Yesterday's results had little impact on BankAmerica's share price, which edged 5% higher to \$42.7 on the New York Stock Exchange.

WMX Technologies slides on static sales

By Laurie Morse in Chicago

and Waste Management International

Chemical Waste Management saw first-quarter earnings drop substantially to \$9.8m, from \$21.3m in the first quarter of 1993.

"Conditions in the hazardous waste industry remain difficult. However, the company is on schedule with its restructuring programme and continues its efforts to lower costs," said Mr Dean Buntrock, WMX chairman.

He said first-quarter earnings in all subsidiaries were hit by severe winter weather. However, Mr Buntrock was confident of better trading during the rest of this year.

GE dips 1.6% in wake of charge

By Martin Dickson
in New York

General Electric, which this week revealed that a phantom trading scheme at its Kidder Peabody investment bank would depress first-quarter profits, yesterday announced a 1.6 per cent dip in net earnings after taking a \$210m charge over the Kidder embarras-

ment. The group reported earnings of \$1.068bn, or \$1.25 a share, down from \$1.085bn, or \$1.27, in the same period of last year.

The non-cash Kidder charge worked through at 25 cents a share, of which 16 cents, or \$139m, was related to trading activities in previous quarters.

Excluding the charge, GE's figures were in line with Wall Street expectations and were struck on revenues which rose 10 per cent to \$14.2bn.

Mr Jack Welch, chairman, said nothing had changed the fundamental global strengths of the business "and with innovative new product introductions and our increasing international market penetration, we remain committed to deliver record earnings for the year".

The group's operating margin rose in the quarter to 12.5 per cent from last year's 12 per cent. GE said six businesses, including the NBC television network, appliances, motors and electric distribution and control, had improved their margin rates by more than a point.

GE Capital's reported earnings rose 20 per cent, led by retailer financing, commercial real estate, auto leasing, financial guaranty insurance and commercial equipment financing. However, the profits of GE's entire financial services operations fell sharply to \$330m because of the charge.

Unsettled outlook for Kidder Peabody

Richard Waters examines the bank's position after the discovery of false trading profits

There will be no basic change in the strategy," insists Mr Michael Carpenter, the British-born chairman of Kidder Peabody.

But for the US investment bank, wracked by the discovery that its top US government bond trader falsified trading profits of \$350m, the future looks anything but settled.

One of the main sources of the bank's reported income of the past two years turns out to have been faked. And an investigation under way into how the alleged fraud arose could yet force big changes to the company's management and operations.

Coming just as Kidder appeared to be on the rebound from a lackluster performance in the early 1990s, the news could hardly have been timed more badly. On the surface, the \$350m of falsified bond trading profits over which Kidder sacked the trader, Mr Joseph Jett, appear to account for a large part of the firm's reported income in recent periods. Last year, it made pre-tax profits of \$428m, up from \$300m the year before and \$15m in 1991. In the four years before this, the bank made a profit once, in 1988.

According to Mr Carpenter, though, Kidder's earnings

power is stronger than this picture suggests. Excluding the falsified profits reported last year, he says, and before paying bonuses and building its reserves, the firm made \$750m.

Much of that came from the bank's powerful fixed-income securities operations, the one area where it has established a clear lead over other securities houses. Underwriting and trading mortgage-backed securities has been the strongest element of this, with Kidder handling as much as a quarter of all new mortgage-backed securities issues last year.

"It has been the clear leader," says a mortgage-backed trader in another bank. Mr Mike Vranos, head of this business, is reputed to have earned a bonus considerably in excess of the \$3m paid to Mr Jett for 1993.

Kidder has also established a strong position in the junk bond market, where it underwrote over 10 per cent of new issues last year as the market for sub-investment grade debt in the US sprang back to life.

These activities have pushed Kidder up the underwriting league tables, even though it has made less headway in the mainstream equity and investment grade bond markets.

In Europe, the story is much

the same. Although Kidder was an early arrival in London in 1957, it reached 20th position in the International Financing Review's Eurobond league table last year, due largely to its strong presence in the floating rate note sector, where its underwriting clout was exceeded only by that of Merrill Lynch.

Its reliance on bond markets, and the mortgage-backed market in particular, has not served Kidder well so far this year. After allowing for the faked profits in the first quarter, Mr Carpenter puts Kidder's earnings at "certainly above \$125m" - at an annualised rate, well below the \$750m of last year.

Similar to the failure which allowed Mr Jett to profit fictitiously.

Kidder chose to take a bigger credit risk than normal with Askin, given the profitability of the trading relationship and "our assessment of the values of the collateral and the kind of margin we needed to liquidate our position in the event of difficulty." Mr Carpenter says.

The Askin situation got out of control much more quickly than any of us thought it could," says Mr Carpenter. He denies, though, that this demonstrated a failure of control

power of the franchise is still very strong, obviously depending on market conditions."

Kidder has been building up its investment banking operations virtually from the day in 1989 that Mr Carpenter was parachuted into Kidder by its parent, General Electric. At that time, the firm was reeling from an insider trading scandal and many of its top investment bankers were leaving. It has also been trying to grow its equity operations, those these remain far weaker than its fixed income business.

Two questions remain. Will the fallout from the Jett scandal throw Kidder off-course? And will it lead parent GE to reconsider selling the firm?

Both Mr Jack Welch and Mr Carpenter say that the episode has not undermined the relationship between parent and subsidiary. GE, though, has never felt comfortable with Kidder, of which it bought 80 per cent in 1986 for \$800m.

Persistent rumours of its intention to sell the bank swirled virtually from the beginning, and have subsided in the past two years only as Kidder has appeared to rebuild its profits. That a large part of the success was phoney has already restarted tongues wagging on Wall Street.



Jack Welch: "episode has not undermined relationship"

similar to the failure which allowed Mr Jett to profit fictitiously.

Kidder chose to take a bigger credit risk than normal with Askin, given the profitability of the trading relationship and "our assessment of the values of the collateral and the kind of margin we needed to liquidate our position in the event of difficulty." Mr Carpenter says.

The Askin situation got out of control much more quickly than any of us thought it could," says Mr Carpenter. He denies, though, that this demonstrated a failure of control

Canadian insurers may link

By Bernard Simon in Toronto

Great-West Life and Confederation Life, Canada's third and fourth-biggest life insurers, are negotiating an alliance under which Great-West could end up with a substantial stake in Confederation.

In the developing world, Colgate-Asia/Africa saw a 23 per cent increase in net volume, with "outstanding" performances from Malaysia, Hong Kong, China and South Africa. Colgate-Latin America saw a broad-based 9 per cent increase in volume growth. Colgate-Europe increased volume by 1 per cent.

Finance sector, which has been caused by competition from other financial institutions. Recent regulatory reforms allow insurance companies to move into other sectors.

Great-West is 86 per cent owned by Power Financial, the Montreal-based financial services group controlled by Mr Paul Desmarais. It posted a 72 per cent rise in net income last year to C\$196m (US\$142m). Great-West has assets of about C\$23bn. Confederation has assets of about C\$20bn, but profits fell to C\$15m in 1992 from C\$105.7m in 1990.

All of these securities have been previously sold. This announcement appears as a matter of record only.

New Issue

4,750,000 Shares

The New South Africa Fund Inc.

Common Stock

Robert Fleming Inc.—Investment Adviser

United States Offering

3,800,000 Shares

This portion of the underwriting was offered in the United States.

Bear, Stearns & Co. Inc.

Donaldson, Lufkin & Jenrette Securities Corporation

PaineWebber Incorporated

Alex. Brown & Sons Incorporated

Kemper Securities, Inc.

William Blair & Company

Ladenburg, Thalmann & Co. Inc.

Needham & Company, Inc.

The Robinson-Humphrey Company, Inc.

Arnhold and S. Bleichroeder, Inc.

Crowell, Weedon & Co.

First of Michigan Corporation

Janney Montgomery Scott Inc.

McDonald & Company Securities, Inc.

Pennsylvania Merchant Group Ltd

Sanders Morris Mundy Inc.

Branch, Cabell and Company

First Southwest Company

Dillon, Read & Co. Inc.

Lazard Frères & Co.

J. C. Bradford & Co.

Legg Mason Wood Walker Incorporated

Piper Jaffray Inc.

Stephens Inc.

Brean Murray, Foster Securities Inc.

Fahnstock & Co. Inc.

Gabelli & Company, Inc.

Josephthal Lyon & Ross Incorporated

Neuberger & Berman

Stifel, Nicolaus & Company Incorporated

JW Charles Securities, Inc.

J. B. Hilliard, W. L. Lyons, Inc.

Robert Fleming Inc.

Nomura Securities International, Inc.

Salomon Brothers Inc.

A.G. Edwards & Sons, Inc.

Lehman Brothers

Cowen & Company

Dain Bosworth Incorporated

Morgan Keegan & Company, Inc.

Oppenheimer & Co., Inc.

Raymond James & Associates, Inc.

Wheat First Butcher Singer

The Chicago Corporation

First Albany Corporation

Gruntal & Co., Incorporated

Mabon Securities Corp.

The Ohio Company

Rauscher Pierce Refnes, Inc.

Wedbush Morgan Securities

Dole Securities, Inc.

Kankaku Securities (America) Inc.

International Offering

950,000 Shares

This portion of the underwriting was offered outside the United States.

Bear, Stearns International Limited

Donaldson, Lufkin & Jenrette Securities Corporation

PaineWebber International

ABN AMRO Bank N.V.

April 1994

Banque Indosuez

DnB Fonds AS

Robert Fleming & Co. Limited

Nomura International

Salomon Brothers International Limited

Argus Fundamentals

Dividend 1993

Basile (Switzerland), 20 April 1994

At the General Meeting of the Company held on 20 April 1994, it was resolved that a dividend for the 1993 trading year be declared as follows:

Gross dividend	SFr. 15.-

<tbl_r cells="2" ix="3" maxcspan="1" maxrspan="1" usedcols="

INTERNATIONAL COMPANIES AND FINANCE

Cost-cutting behind rise at AT&T

By Martin Dickson
in New York

AT&T, the US telecommunications group, yesterday reported a 16.9 per cent increase in first-quarter net income. It attributed the result to growth in long-distance services and equipment manufacturing, as well as cost-controls.

The largest US long-distance company produced net income of \$1.09bn, or 80 cents a share, compared with \$836m, or 69 cents, in the same period of last year, before special accounting charges.

The figures, struck on revenues which rose 5.3 per cent to \$10.56bn, were slightly ahead of the mean Wall Street forecast, which was for earnings of 79 cents a share.

Mr Robert Allen, chairman, told the annual meeting he

was "particularly encouraged by some of the underlying trends because I believe they bode well for the rest of the year". The meeting voted to change the group's name to AT&T from American Telephone & Telegraph.

The group's core long-distance business, which is embroiled in a fierce battle for market share, saw calling volume grow 7 per cent, while revenues rose 3 per cent to \$10.22bn.

Important factors behind this were the improving US economy and AT&T's aggressive new consumer marketing campaign, "True Rewards". Long-distance margins were 38.8 per cent, up nearly 2 percentage points on the same period of 1993.

In products and systems, revenues grew more than 14 per cent to \$4.07bn. Communicati-



Robert Allen: encouraged by underlying trends

tions products for consumers and businesses led the improvement, with double digit growth.

Sales of cellular, corded and cordless telephones, as well as

private telephone systems for small and medium-sized businesses and submarine cable systems were particularly strong," AT&T said.

Sales of network equipment - bought mainly by telephone service companies - rose 11 per cent to \$1.95bn.

However, AT&T's computer business - formerly known as NCR - reported a loss of \$57m, up from \$14m a year ago. This was blamed on price competition and the impact of a restructuring which began at the end of last year. Product sales were up 5 per cent.

The group's revenues from financial services, spearheaded by its AT&T credit card, rose 21 per cent to \$591m.

Mr Allen told the annual meeting cost-cutting had helped AT&T achieve its goal of at least 10 per cent earnings growth recently.

Lockheed turns in 21% lift for quarter

By Martin Dickson

Lockheed, the US defence group, reported a 21 per cent increase in first-quarter net earnings.

It attributed the performance mainly to good results in its aerospace and electronic systems divisions.

The company made \$22m, or \$1.45 a share, compared with \$76m, or \$1.22, in the same period of last year. Revenues totalled \$3bn, up 21 per cent on last year's \$2.5bn.

Mr Daniel Tellez, chairman, said the company had also produced "significant positive cashflow and continued the rapid improvement in our financial position".

It had generated net free cashflow after dividends of more than \$240m. At the end of the period, its net debt-to-capital ratio was 38 per cent down from 48 per cent a year ago.

Programmes which had participated strongly in first-quarter results included the F-16 fighter, the C-130 Hercules transport aircraft and the F-22, the new-generation fighter under development.

The total backlog at the end of the quarter was \$28.2bn, down from \$32.9bn at the end of December.

Business other than US defence contracts rose to 39 per cent of sales at the end of the quarter, compared with 34 per cent a year ago.

The bank said trading income was \$16m, compared with \$449m in the previous three months and \$346m in the first quarter of 1993.

It said this did not represent a complete picture of overall trading results. Some \$177m, reported as net interest income, had been earned on

Strong sales growth helps boost US drug groups

By Frank McCarty in New York

Pfizer and Bristol-Myers Squibb, two big US drug groups, said yesterday that good performances by their most important products had boosted profits and revenues in the first quarter.

The results were the latest in a series of earnings reports suggesting steady growth in the sector in early 1994.

Of the two companies reporting yesterday, Pfizer was the most impressive. The company's shares jumped 21% to \$57.5m in New York after it revealed a 13 per cent increase in net income, to \$370.7m, against \$326m in the first quarter of 1993. Earnings per share were up 17 per cent at \$1.18.

The results were slightly ahead of most Wall Street forecasts. Mr Jonathan Gellis, an analyst at Wertheim Schroder,

expected earnings of \$1.17 a share. He said the result was particularly encouraging in view of a jump in Pfizer's effective tax rate, to 30 per cent from 26 per cent, last year.

Revenues were 6 per cent ahead of what the firm's newest drugs, up 22 per cent, made to \$56.5m a year earlier.

The scant improvement largely reflected higher taxes. At the pre-tax level, earnings were 5 per cent better. The company said cost-cutting had helped to lift margins.

Overall, revenues were up 3 per cent at \$2.1bn. A 6 per cent advance in pharmaceuticals sales was somewhat offset by a 9 per cent decline in consumer products, which include Bu-
ni-pain reliever, Capoten, a circulatory drug which is the company's best-seller, plus former well-known competition.

Bristol-Myers' results showed more modest gains, and Wall Street responded accordingly.

The shares ended \$6 above to \$55.5% after the company posted net income up 1 per cent to \$56.5m against \$57.5m a year earlier.

The scant improvement largely reflected higher taxes. At the pre-tax level, earnings were 5 per cent better. The company said cost-cutting had helped to lift margins.

Overall, revenues were up 3 per cent at \$2.1bn. A 6 per cent advance in pharmaceuticals sales was somewhat offset by a 9 per cent decline in consumer products, which include Bu-
ni-pain reliever, Capoten, a circulatory drug which is the company's best-seller, plus former well-known competition.

Market turmoil hits trading profits at Bankers Trust

By Richard Waters
in New York

The turmoil in international financial markets in February and March all but wiped out reported trading profits at Bankers Trust, the US commercial bank which has been one of the pioneers of the derivatives markets in recent years.

The bank said trading income was \$16m in the first quarter, down from a record \$449m in the previous three months and \$346m in the first quarter of 1993.

This amount included the group's sales to foreign governments, which made up 18 per cent of total revenues, compared with 10 per cent a year ago.

The bank said trading income was offset in part by higher income from selling derivatives and other risk-management instruments, if added.

These activities are under a cloud, following threatened legal action last week by Procter & Gamble, the US consumer products group, which

claimed it bought from Bankers Trust.

Mr Charles Sanford, Bankers Trust chairman and chief executive, told the annual meeting: "We will win if they [Procter & Gamble] want to sue us." He declined to comment on the specifics of the case, other than to say Bankers Trust had "done well, despite increased competition".

Despite the deteriorating trading results, the bank limited the fall in its after-tax profits to \$16m, or \$1.30 a share, from \$23m, or \$1.54 a share, a year ago (before accounting changes).

Bonuses paid to staff totalled by \$105m, to \$106m. Other sources of income, such as fund management fees and other fees and commissions, rose by around \$100m.

Inco cautions on nickel output

By Bernard Simon in Toronto

last year, the world's biggest nickel producer, expects world supply and demand in Russia to be roughly in balance by the second quarter of this year.

He said Wellspring Associates would specialize in investing in undervalued companies that required radical restructuring.

Mr Davis stepped down as chairman and chief executive of Paramount late last month following the completion of the first step of the merger of Paramount and Viacom. Paramount is now a majority-owned subsidiary of Viacom.

Mr Davis singled out a continuing surge in exports from Russia, due mainly to a collapse in domestic consumption, for over-supply in world markets. However, he added: "It is also up to the rest of us in the industry to take responsible action to bring supply and demand into better balance."

He insisted that Inco, which announced production cuts

last year, "will not shoulder the entire burden". The company's priorities were "to drive down costs, improve our competitiveness and defend our market share".

Inco suffered a first-quarter loss of US\$59.9m, or 53 cents a share, up from \$23m, or 22 cents, a year earlier. Revenues dropped to \$523.8m from \$542.8m.

The latest losses reflect charges of \$100m to cover the cost of staff cuts and production shutdowns.

First-quarter nickel prices averaged \$2.77 a pound, down from \$2.95 a year earlier, but above the \$2.49 realized in the final quarter of 1993.

However, the market has weakened again recently in response to the rise in North American interest rates and

despite a slight improvement in anticipation of a long-term

Caterpillar earnings jump but share price weakens

By Laurie Morse in Chicago

Caterpillar, the Illinois-based manufacturer of engines and heavy equipment, reported record sales and earnings in the first quarter, and said demand for its products in Europe had begun to improve.

However, the results fell short of Wall Street expectations, and Caterpillar's stock dropped by 4% to \$103.8m in early Stock Exchange.

Earnings jumped to \$1.92m, or \$1.67 a fully diluted share, against \$1.75m, or \$1.30, a year earlier. Sales and revenues from ongoing businesses totalled \$5.5bn, up 7 per cent.

Mr Rand Arasikog, chairman, said the performance reflected "improving US economic fundamentals and the benefits of previous and continuing cost improvement programmes".

The financial and business services group made \$22m, up from \$21m, due to a jump in income to \$1.95m from \$1.65m at the Hartford insurance subsidiary.

Hartford's rise came in spite of the Los Angeles earthquake and the severe US winter, which helped produce catastrophe losses in excess of expectations at \$40m after tax, or 31 cents a share. Hartford was the primary contributor to group portfolio gains of \$35m, or 27 cents.

The manufactured products group made \$88m, up from \$84m, with income at the automotive business rising from \$22m to \$30m, defence and electronics at \$11m compared with break-even, and fluid technology up from \$1.8m to \$1.7m. The automotive improvement was attributed to higher sales, mainly in North America, and cost reduction programmes.

The Sheraton hotels group had income of \$25m, up from \$16m. Much of this was due to gaming operations at the Sheraton Desert Inn in Las Vegas, which exceeded expectations in its first full quarter under Sheraton control.

AMR blames bad weather for fall

By Richard Tomlins
in New York

AMR, parent of American Airlines, the second biggest US airline, yesterday blamed fare discounting and bad winter weather for a net loss of \$7m in the first quarter, equivalent to 30 cents a share.

The figure represented an improvement from the previ-

ous year's net loss of \$22m, or 43 cents, but fell short of what analysts had hoped to see in the light of growth in the US economy.

The shares shed 3% to \$30.5m in early trading.

However, the airline's revenues were down by 2.2 per cent. Losses were reduced because the airline also achieved a 2.6 per cent cut in operating expenses.

That largely because it lost \$46m in February after exceptionally severe weather and low fares.

Group revenues were \$3.81bn, virtually unchanged from last time.

However, the airline's revenues were down by 2.2 per cent. Losses were reduced because the airline also achieved a 2.6 per cent cut in operating expenses.

Mr Donald Oresman, who at the same time resigned as Paramount's executive vice president, general counsel and chief administrative officer, is joining Mr Davis at Wellspring.

Mr Davis stepped down as chairman and chief executive of Paramount late last month following the completion of the first step of the merger of Paramount and Viacom. Paramount is now a majority-owned subsidiary of Viacom.

Mr Davis singled out a continuing surge in exports from Russia, due mainly to a collapse in domestic consumption, for over-supply in world markets. However, he added: "It is also up to the rest of us in the industry to take responsible action to bring supply and demand into better balance."

He insisted that Inco, which announced production cuts

has sold substantially all the assets of its subsidiary

LB Credit Corporation

San Francisco

to

The CIT Group/

Equipment Financing

New Jersey

Bank Austria AG

Vienna

has sold

Mercubank AG

Vienna

to

GE Capital Corporation

Stamford

The undersigned initiated these transactions, acted as financial advisor to Bank Austria and assisted in the negotiations.

Salomon Brothers

This announcement appears as a matter of record only.

NetCom GSM as

NOK 1,200,000,000

Loan and Guarantee Facility

Project Financing for the Development of Norway's Private Mobile Telephone System

Arranger

WESTLB GROUP

Lead Managers

WESTLB GROUP

BAYERISCHE LANDESBANK GIROZENTRALE BAYERISCHE VEREINSBANK INTERNATIONAL S.A.

KREDITANSTALT FÜR WIEDERAUFBAU

DEUTSCHE GIROZENTRALE - DEUTSCHE KOMMUNALBANK -

UNION BANK OF NORWAY

SÜDWESTDEUTSCHE LANDESBANK GIROZENTRALE

Fund Providers

under the Guarantee Facility

A/S EKSPORT FINANS NORDIC INVESTMENT BANK

UNION BANK OF NORWAY

Agent

WESTLB INTERNATIONAL S.A.

Facility Coordinator and Financial Advisor to NetCom GSM as

ORKLA FINANS INTERNATIONAL A.S.

German City Estates N.V.

Notice of the Annual General Meeting of shareholders of German City Estates

INTERNATIONAL COMPANIES AND FINANCE

Merger planned by three Japanese regional banks

By Emiko Terazono in Tokyo and agencies

Three Japanese regional banks are to merge in January 1995.

The move comes as Japanese financial authorities are trying to encourage mergers among smaller regional banks to streamline operations and achieve economies of scale in the face of rising costs and growing problem loans.

Tokyo City Bank, Kita-Nippon Bank and Shokusan Bank, three second-tier regional banks based in northern Japan, will become Hidemitsu Bank, the fifth-biggest second-tier regional bank in terms of assets, with deposits of Y2.190bn (\$21bn).

Ten shares of the merged bank will be exchanged for 10 shares of Shokusan, or 10 shares of Kita-Nippon, or eight shares of Tokyo City.

They currently offer banking services in three prefectures through a total of 225

branches. The merged bank will have separate headquarters in each of the three prefectures to improve services to clients.

The three banks have combined outstanding deposits of Y2.270bn with combined outstanding loans totalling Y1.710bn yen, they said.

The move is the latest in a string of mergers among regional banks. In 1991, San-in Gode Bank in western Japan merged with another regional bank, while Kimmomo Bank merged with Higo Family Bank based in Kyushu, southern Japan. Last year, Hidemitsu Bank in Akiti, in north-east Japan, was created by a merger of two regional banks.

Most of Japan's regional banks remain relatively healthy, catering to businesses in the provinces, but many among the smaller second-tier regional banks have been troubled in the wake of the burst of the economic bubble due to

imprudent lending in the late 1980s.

The regional banks are also facing increasing competition from the larger commercial banks, which are looking for business opportunities in the provinces. Tokyo City posted a Y1.5bn pre-tax loss for the year ending March 1992 and a Y1.6bn pre-tax loss for the business year to March last year due to unrealised losses on stock holdings.

The Bank of Japan and ministry of finance are trying to resolve the situation by merging healthier regional banks with those with deteriorating balance sheets.

The finance ministry yesterday welcomed the move as "forward looking", adding that it hoped the merger would improve customer service and contribute to the regional economy. Mr Hiroshi Fujii, finance minister, said more such cases were likely to emerge in the future.

MIM Holdings slips into red

By Nikki Tait
in Sydney

Heavy abnormal charges and a A\$19.3m (US\$13.8m) foreign exchange loss related to its Canadian holding company caused MIM Holdings, the Queensland-based metals group, to post a A\$61m loss after tax in the first nine months of the current financial year.

The loss compared with a A\$70.5m profit in the same period of 1992-93. In the first six months of 1993-94, MIM had reported a net loss of A\$18.5m.

At the operating level, MIM made a A\$60.2m profit, with sales standing at A\$1.7bn. The profits figure was well below the A\$1.4bn recorded in the previous year, and MIM said that average base metal prices for the 40-week period

remained "significantly lower" than a year ago, in spite of a pick-up in the third quarter. The lower prices, it said, "regretfully offset" production increases and higher sales volumes.

According to MIM, the average copper price, in Australian dollars, was down 19 per cent, lead down 12 per cent, and zinc down 13 per cent. Gold was up by 11 per cent, and silver by 31 per cent. Coal prices in the first 40 weeks were 9 per cent lower than in the comparable period of 1992-93.

MIM noted a strong contribution from its gold operations, including the Pongara mine in Papua New Guinea – in which Highlands Gold, majority-owned by MIM has a 25 per cent interest – where annualised production rates in the third quarter topped 1m

ounces. Exploration expenditure in the third quarter was A\$22m, and concentrated on copper and gold prospects.

The damage to the third quarter results came from a A\$42.3m abnormal charge. This was made up of a A\$2.5m general provision for the loss in the value of investments, a A\$2.3m net loss on the partial disposal of certain Canadian and German investments, and the previously-announced A\$17.8m loss of the German joint venture smelting operations.

MIM declined to disclose what investments were reflected in the general provisions or whether the timing of the provision meant that further asset sales were imminent. The company has been steadily selling down its investment portfolio.

Gengold drops 5.2% to R106m in quarter

By Mark Suzman
in Johannesburg

An unsellable labour force in the run-up to South Africa's first all-race elections was responsible for a 5.2 per cent drop in production for the March quarter at Gengold, the gold mining division of South Africa's Gencor group.

However, a higher gold price

Casualties of a currency crisis

Turkey's banks seem ill-prepared for the storm, says John Murray Brown

Turkey's currency crisis has thrown up its first bank casualties. The Treasury stepped in last week to close down the small Istanbul-based Turkish Tourism and Investment bank (TTT), and the Istanbul stock exchange yesterday suspended trading in Disbank, a small trade finance bank.

With a growing likelihood of mergers and consolidations – if not liquidations – of some private banks, the sole consolation is that the crisis may well result in a long overdue shake-out of Turkey's banking industry.

The moves raise questions about the durability of the Turkish financial system and the country's 70 banks, in the wake of what has been the worst financial crisis in more than a decade.

The sector appears ill-prepared to weather the storm. Turkish banks are under-capitalised, although some improvements have been made in recent years to meet international standards on capital adequacy.

More important, Turkey's recent economic development has been highly leveraged. With a real interest differential as high as 20 per cent, many banks have been funding their lira loan book through foreign borrowings. However, with the lira slipping by more than 50 per cent against the dollar since the start of the year, many banks face heavy foreign

exchange losses when they come to collect on their loans.

Interbank rates touched 1,000 per cent in March, although rates had yesterday slipped back to 150 per cent. With this sort of volatility many banks suffer a mismatch between the interest paid on short-term deposits, and the income earned on long-term Treasury bills, which they are obliged to hold to meet central bank reserve requirements. As the

state bank. This was Turkey's largest bank takeover. Ishbank

was paid one installment of \$75m, but took promissory notes from Lapis for the remainder, secured by Disbank shares. In the wake of TTT's troubles, Ishbank confirmed this week that it had re-acquired Dis-

Ankara, concern at bank failures is tempered by anxiety not to be seen to rush in to bail out the shareholders. "You make money, you can lose money too. That's a fact of life," said a Treasury official.

Foreign exchange losses are one area of concern. The recent currency turbulence will have hit profitability as banks seek to close their open foreign exchange positions, the difference between foreign exchange liabilities and Turkish lira assets. At the end of 1993 the total open position of the banking sector stood at \$4bn-\$5bn.

According to an unofficial estimate, over the last few weeks, bank foreign exchange losses have totalled more than three times what they made in profits on their open positions in the whole of 1993.

The sole consolation is that the crisis may result in a long overdue shake-out of the banking industry

economy heads towards recession, there are deeper worries about asset quality with reports that even for blue chip companies, banks are having to recapitalise their loans and roll over interest.

Banks such as the Sabanci group's Albank, which have a strong deposit base and are less dependent on foreign funds, are likely to be best off. It is among the smaller, non-deposit-taking banks that the losses are likely to be most acute.

There are particular reasons for the troubles at TTT and its parent company Lapis Holding. Last July, the group agreed a \$213m takeover of an 88 per cent stake in Disbank, a small trade finance bank for \$213m. Ishbank, the semi-autonomous

gold trader and tour operator, given Treasury permission to take over Disbank, a reputable trade finance bank?

If TTT's demise is to foreshadow a series of bank failures, the government is presented with a much larger headache. Until now, insolvent private banks were always bailed out by the state. Given the government's cash constraints, a similar course seems unlikely today. However, bankers point out that Turkey's rudimentary insurance scheme will cover barely a fraction of the amounts due to depositors and correspondents.

"The problem is that at this time you should have zero credits, zero T-bills and a surplus of dollars – and who's in that position?" said Mr Haluk Daygill of Korfesbank. "Mr Ayhan Dogan, the economy minister, recently gave the banking sector a clean bill of health. Among officials in

recent weeks following the government's announcement that it would increase land supply for residential use and bring in measures to curb price rises.

Further tightening by mortgage lenders, introduced in February, had taken its toll, he said. Associated companies turned

in healthy performances – namely Hong Kong and China Gas Company, Hong Kong Ferry and Miramar Hotel and Investment Company, which was snatched from under the nose of Mr Li Ka-shing, the property tycoon, in a contested takeover battle last June. The hotel group reported a 41 per cent rise in profits.

Henderson Land rises 15% at mid-term

By Louise Lucas
in Hong Kong

Henderson Land Development Company, one of Hong Kong's biggest property developers, reported a 15 per cent rise in net profits to HK\$2.3bn (US\$298m) for the six months to December 31, up from HK\$1.6bn the previous year.

● See Commodities

• Working costs per kilogram

- increased by 6% on previous quarter
- increased by 12% on quarter ended March 1993



• Distributable income

- up 5% on previous quarter
- up 47% on quarter ended March 1993

SUMMARY OF GOLD MINING COMPANIES' RESULTS FOR THE QUARTER ENDED 31 MARCH 1994

	Bentrix Mine (A division of Buffalofontein)	Buffalofontein Gold Mining Co Ltd	The Grootfontein Mining Limited Ltd	Klaserie Mines Ltd	Lodi Gold Mines Ltd	Oryx Gold Mines (A division of St. Helena)	St. Helena Gold Mining Co Ltd	Stellenbosch Gold Mining Co Ltd	United Gold Mines Ltd	Witwatersrand Mines Ltd
Company registration number	150020408	0160020408	0160020408	030020408	030020408	030020408	052341208	052341208	052341208	052341208
Issued shares	94 000 000 ordinary 34 000 000 preference	11 000 000 ordinary 12 000 000 preference	11 428 000 ordinary	18 000 000 ordinary	16 000 000 ordinary	Oryx Gold Mines Limited 165 000 000 ordinary	13 000 000 ordinary	13 000 000 ordinary	20 000 000 ordinary	12 000 000 ordinary
Operating results										
Gold produced (kg)	3 220 3 401 9 996	3 820 3 200 10 246	622 600 3 205	3 030 3 195 6 226	578 588 1 367	52 12 270	1 263 1 246 6 116	271 274 1 427	873 94 1 917	2 002 2 729 5 332
Yield (g/t)	6.2 6.4 6.3	6.4 5.5 6.4	5.5 5.5 5.5	6.5 6.7 6.7	6.7 6.7 6.7	2.3 1.2 1.7	6.9 6.7 6.7	1.0 1.0 1.0	8.1 6.3 6.2	8.7 6.5 6.8
Ore milled (tons)	520 000 534 000 1 931 000	420 000 547 000 1 600 000	120 000 122 000 522 000	455 000 477 000 462 000	101 000 104 000 205 000	13 900 10 100 150 000	195 000 200 000 191 000	225 000 275 000 1 422 000	160 000 150 000 310 000	280 000 215 000 803 000
Gold price received (R/mt)	38 552 37 772 38 789	38 986 37 722 38 802	39 442 39 520 36 487	39 629 39 115 38 864	40 069 39 024 38 881	38 886 38 076 35 787	39 563 39 207 36 342	39 714 36 120 36 790	38 807 32 111 39 042	38 807 32 111 38 790
Working costs (R/kg)	24 207 24 255 23 058	26 761 31 518 32 018	24 074 22 012 32 700	25 249 24 257 24 745	29 975 27 983 28 971	Working costs are capitalised	21 799 22 222 31 405	22 222 32 558 32 022	22 078 32 038 33 057	21 638 30 555 31 236
Financial results (R'000)										
Working revenue	127 455 128 463 397 733	122 765 123 043 117 576	26 153 24 859 24 818	129 562 122 256 53 485	27 063 28 412 22 517	52 52 225 712	53 447 10 862 52 025	10 722 10 445 74 844	38 642 36 202 205 276	103 769 104 507 205 276
Working costs	77 847 77 832 230 484	110 145 109 875 238 059	22 557 21 788 154 039	76 805 72 524 153 603	20 323 19 280 35 603	— — —	42 928 40 758 152 072	8 735 8 921 48 695	32 183 31 188 63 371	82 316 84 223 166 551
Sundry income – net	2 227 2 642 7 494	2 956 3 602 3 700	1 831 1 463 1 020	3 062 3 348 1 020	576 514 2 058	410 243 2 058	2 103 1 908 9 011	1 147 771 15 654	657 771 1 438	1 754 2 751 4 505
Tributes and Royalties – payments/receipts net	19 115 19 255 63 150	1 386 2 0								

INTERNATIONAL CAPITAL MARKETS

German cut in repo rate fails to lift the gloom

By Sara Webb in London and Frank McGurk in New York

European government bonds lost further ground yesterday, falling between half a point and a full point as markets remained in a jittery mood following this week's rise in US short-term interest rates, and in spite of a bigger than expected cut in the German repo rate.

The Bundesbank announced that its securities repurchase rate had fallen to 5.58 per cent this week, from 5.70 per cent last week.

The 12 basis point cut in the rate exceeded market expectations, but while the German government bond market had traded higher ahead of the announcement on hopes of a substantial reduction, the actual announcement prompted heavy selling of bonds and profit-taking by traders.

Traders said sentiment was not helped by the combination of poor demand for new supply from the Bundespost, and comments by Mr Rexrodt, the economics minister, who said that German gross domestic product would grow by 1.5 per cent in 1994 - a figure at the top end of the government forecast.

French government bonds fell by nearly a point on the day as the weakness of the French franc continued to

upset the bond market.

With the French currency trading outside its former ERM bands, some bond analysts believe the Bank of France may be less likely to cut its intervention rate at today's Monetary Policy Council meeting, despite the Bundesbank's repo rate cut yesterday and cuts in the discount and Lombard rates last week.

GOVERNMENT BONDS

The national bond futures contract traded on the Matif futures exchange fell from its opening of 121.14 to a low of 115.91 before settling at 120.10.

The French-German 10-year yield spread widened further to 31 basis points yesterday from 25 basis points the previous day.

UK government bonds took

flight following the release of new economic data which pointed to a continuation of the economic recovery. The figures were interpreted as reducing the chances of a base rate cut in the immediate future.

Seasonally adjusted unemployment in the UK fell by 30,300 in March to 2.72m, a bigger decline than the 25,000 fall which had been expected, and this was seen as reducing the need for a cut in interest rates.

More worrying for the gilt market, however, was data on annualised earnings for February, which fuelled fears that inflation could tick up again. Underlying earnings in the whole economy rose by 3.5 per cent, while the annualised rise for January was revised upwards to 3.5 per cent from 3.25 per cent.

Economists pointed out that in such thin trading, the initial decline in gilt prices was exaggerated, and that the market

was determined to focus on the worst possible interpretation.

"I don't think there is anything to worry about in the average earnings figures and there is no sign of wage settlements taking off, which is a more important sign," said one analyst.

US Treasury bonds held steady yesterday morning as fixed-income investors reacted calmly to news of a strong rebound by the housing sector last month.

By midday, the benchmark 30-year government bond was 4 basis points better at 8.61%, with the yield easing to 7.36 per cent. At the short end, the two-year note was unchanged at 9.9, to yield 5.65% per cent.

The morning brought bad news to a market wary of fresh signals which may bring forward the next increase in the interest rates by the Federal Reserve.

The central bank has tightened monetary policy in an effort to slow the economy's rate of growth.

The Commerce Department said housing starts in March had jumped by 12.1 per cent, after an 8 per cent decline the previous month.

The data was evidence that the economy made a strong recovery from February's weather-related cooling.

Bonds immediately dipped on the announcement, but prices soon steadied amid "short-covering" by traders, who had to replace securities they had borrowed and resold on a bet that prices would slide.

Activity was light, with the market looking ahead to the Treasury's afternoon announcement on the size of next week's supply auctions.

Analysts were expecting the sale of \$1bn in five-year notes and a \$12bn two-year issue.

SEC relaxes rules for foreign issuers

By George Graham in Washington

The US Securities and Exchange Commission has agreed on new rules that should make it easier for foreign companies to issue securities on the US market.

The rules will allow more companies to use a shorter form of the SEC's standard documentation, helping to reduce the initial cost of obtaining a US listing.

"The SEC estimates that the change in rules will increase by as much as one-third the number of foreign companies allowed to use the short F-3 filing form, which usually runs to about 20 pages, rather than the full F-1 form of 60 pages or more.

Companies with a public float of \$75m will now qualify, instead of \$300m previously. The SEC will also require a reporting history of only 12 months, instead of 36 months, so long as the company has at least one annual report.

"As our experience with foreign issuers grows, we will continue to discover ways to assist them with the transition to our disclosure system, and therefore our markets, while not compromising in any way our mandate to protect the American investor," said Mr Arthur Levitt, the SEC chairman.

Although more than 600 foreign companies are now registered with the SEC, many find US reporting requirements burdensome and costly.

Mr Kevin Cramer, a partner in the Washington office of lawyers Jones, Day, Reavis & Pogue, said use of the F-3 form would not only reduce the amount of paper a company had to file, but also cut the time the SEC staff would take to review it.

A UK issuer that wanted to take advantage of market conditions could have a higher degree of confidence that they could get into the market when they want to," Mr Cramer said.

Among other measures included in the package, the SEC voted to allow foreign companies to use the same process already available to US issuers.

Under this process, a company can file a single registration statement, without specifying in advance whether it will issue shares, bonds or some other form of security.

Another important measure described by Mr Levitt as a "landmark step" would allow foreign companies to present cash-flow statements prepared in accordance with International Accounting Standard Number 7, rather than US accounting standards as currently required.

BZ fund placing raises SFr2bn

By Ian Rodger in Zurich

by continually writing cover call options on them.

In the cases of previous BZ-led investment funds, Stillhalter offered investors the option of exchanging some of their shares for shares.

The fund, formed two weeks ago, will publish details of its portfolio in the next few weeks when its bearer shares are listed in Switzerland.

Finnish group forms FM125m capital fund

CapMan Capital Management, the Finnish finance group, has set up a FM125m capital fund together with four Finnish companies and a group of international investors, Reuter reports from Helsinki.

The Alliance ScanEast Fund will invest in joint ventures in the Baltic republics, Poland, the Czech Republic, Slovakia, Hungary and Russia, primarily in co-operation with the four Finnish industrial groups, A. Ahlstrom, Metra, Neste and Nokia.

The fund's initial capital will come from two US insurance companies, together with the European Bank for Reconstruction and Development, and the International Finance Corporation, which is part of the World Bank.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

	Coupon	Red Date	Price	Change	Day's High	Low	Week Ago	Month Ago
Australia	9.50%	10/08/2000	108.2000	-0.01	9.50	7.95	7.25	
Belgium	8.25%	04/04/2000	88.2200	-0.740	7.51	7.13	7.22	
Canada	6.50%	06/04/2000	110.0000	-0.150	8.34	7.93	7.44	
Denmark	7.00%	12/04/2000	87.8000	-0.730	7.32	6.86	6.80	
France	8.00%	10/05/2000	105.5100	-0.560	9.54	6.94	5.78	
Germany	5.00%	09/05/2000	98.5000	-0.540	9.55	8.21	8.00	
Italy	8.50%	01/04/2000	86.4000	-0.910	8.70	8.70	8.28	
Japan	4.80%	06/04/2000	105.9220	-0.380	3.45	3.52	3.52	
No 119	4.50%	03/04/2000	103.2130	+0.070	4.02	4.01	4.10	
Netherlands	5.00%	02/04/2000	102.7200	-0.160	8.73	8.70	8.65	
Spain	10.50%	10/03/2000	98.7000	-0.700	9.55	8.95	8.97	
UK Gilt	6.00%	02/04/2000	98.1800	-0.520	7.50	7.17	7.08	
US Treasury	9.00%	10/08/2000	108.16	-0.232	8.00	7.80	7.58	
Yield	5.87%	9.18%	91.18	-0.18	7.00	6.91	6.45	
ECU (French Govt)	6.00%	04/04/2000	92.5700	-0.390	7.37	6.91	6.82	

London closing: *New York mid-day. Yield on 12.5 per cent payable by non-residents. Prices: US, UK in 32nds, others in decimal.

Source: AMIS International

US INTEREST RATES

Lending

Treasury Bills and Bond Yields

Prime rate

Broker loan rate

Fed Funds

Fed Funds at Interbank

Source: US Treasury

BOND FUTURES AND OPTIONS

France

NOTIONAL FRENCH BOND FUTURES (MATIF)

Open

Sett price

Change

High

Low

Est. vol.

Open int.

Source: MATIF

Ex. val. total: Cells 71,184 Total 105,567. Previous day's open int.: Cells 381,186 Plus 265,644.

Germany

NOTIONAL GERMAN BUND FUTURES (LIFFE) DM250,000 100ths of 100%

Open

Sett price

Change

High

Low

Est. vol.

Open int.

Source: LIFFE

Ex. val. total: Cells 217,184 Plus 205,634. Previous day's open int.: Cells 265,624 Plus 261,154.

Germany

NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL/LIFFE) DM250,000 100ths of 100%

Open

Sett price

Change

High

Low

Est. vol.

Open int.

Source: LIFFE

Ex. val. total: Cells 112,184 Total 125,162. Previous day's open int.: Cells 261,057.

Germany

NOTIONAL LONG TERM GERMAN GOVT. BOND (LIFFE) DM250,000 100ths of 100%

Open

Sett price

Change

High

Low

Est. vol.

Open int.

Source: LIFFE

Ex. val. total: Cells 111,600 Total 125,162. Previous day's open int.: Cells 261,057.

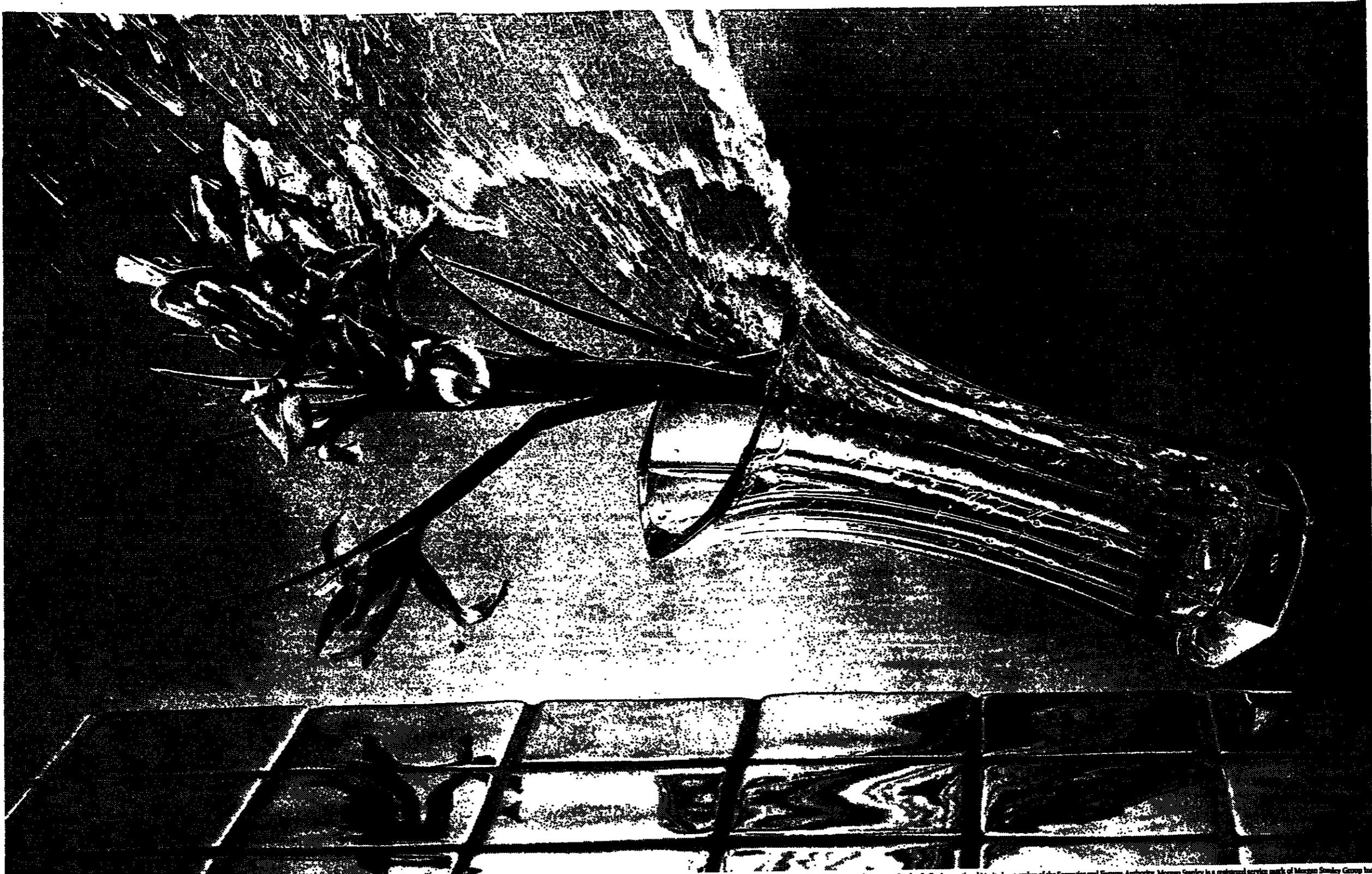
Germany

NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

Open

Close

Change



Approved by Morgan Stanley & Co. International Limited, a member of the Securities and Futures Authority. Morgan Stanley is a registered service mark of Morgan Stanley Group Inc.

Maybe you can bounce back.

In the worst of economies, even the best managed companies can stumble.

But you know you can save yours — if.

If you can make it investable again. If you can squeeze additional value out of every asset and every activity. And if you can find someone who can look at all your businesses, holdings, positions — everything — and help you restructure it all at once.

That's why you turned to a firm you knew could pull together a world of resources for you.

They immediately put a team of professionals to work inside your company. They set up models, made projections and weighed the potential performance of each of your businesses. They helped you decide what to hold, sell or spin off. And used their global contacts to find the right buyers and partners.

They studied your balance sheet to see what could be securitised. Analysed your real estate for possible sale/leasebacks. Even helped strengthen your management structure. Finally, they projected the value of your company under several scenarios to help you select the strategy that would make it most attractive to investors.

And now comes the acid test for your restructuring — the equity offering.

Will it succeed? You're facing a world of hard-nosed investors. But you've given your company the strength and flexibility to be what it must be.

Resilient.

MORGAN STANLEY

health
rebuild its future

COMPANY NEWS: UK

Market debut to value Superscape at £10.5m

By Paul Taylor

Superscape VR, a pioneer of desktop computer virtual reality software, is coming to the market via a placing with institutional investors which values the Aldermaston-based group at £10.5m.

The group, which was founded in 1983 by Mr Ian Andrew, chief executive, and was previously known as Dimension International, is the third UK company associated with advanced VR computer technology to float on the Stock Exchange.

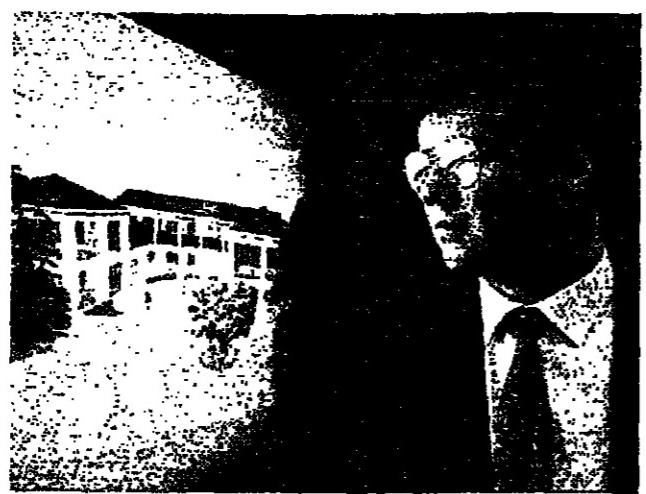
Bristol-based Division Group came to market in May last year and Virtuality Group, which designs and manufactures VR computer games, was successfully floated in October.

The Superscape flotation, sponsored by Henderson Crosthwaite, involves the placing of 1.75m shares in the group, equivalent to 33 per cent of the enlarged capital, with institutional investors at 158p each.

Trading is due to begin on April 28.

Some 52 per cent of the shares are being placed on behalf of the company.

The placing, together with a private subscription by ICVEN, an IBM subsidiary, for 214,646 shares at 158.4p each, will raise about £3.2m net of expenses for the group.



Linda van der Meij

Ian Andrew: overseas push will mean increased losses this year

The funds will mainly be used to finance the increased cost of marketing Superscape's software products on an international basis, particularly in the large and fast growing US market.

Superscape reported a £7.9m pre-tax loss on turnover of £39.0m in the six months to January 31 and has forecast a pre-tax loss of £45.0m for the year to the end of July, mainly reflecting the costs of its overseas marketing push including establishing a US marketing subsidiary.

NEWS DIGEST

AC Cars to represent it in certain of the home counties.

Net assets improve at English National

English National Investment, part of the Henderson Touche Remnant stable, announced net asset values of 374.4p per preferred share and 299.4p per deferred share, representing respective advances of 10.2 per cent and 13.2 per cent over the 12 months to March 31.

Net revenue was virtually static at £250.000 for earnings of 16.4p (16.4p) per preferred and 11.6p (11.5p) per deferred.

Dividends are maintained at the previous year's levels of 16.2p and 11.3p respectively via recommended finals of 11.2p and 8.75p.

OEM falls £92,000 into the red

Including three months contribution from Dev-Tech, OEM, the property developer and investment concern - formerly Office and Electronic Machines - suffered pre-tax losses of £92,000 for the six months ended December 31, compared with profits of £24,000.

Turnover amounted to

£1.25m, against £2.3m which included £721,000 for the discontinued stationery and furniture business. Losses per share were 0.6p (1.5p earnings).

Shires High-Yielding net assets rise

Shires High-Yielding Smaller Companies Trust reported net asset value per share of 160.5p at March 31, compared with 155.6p at December 31 1993.

The fully diluted figures were 160.5p and 146.3p.

Net revenue for the three months to end-March was £126,000 (£97,000) for earnings of 1.01p (0.78p). A first interim of 1.2p (1p) is declared.

This could be increased to 2.45p, leaving at least £15m to be available through a public offer for subscription.

The public offer closes on May 13, and conversion should take place by the end of August.

The trust had net assets of £84.5m at the end of March.

Several recent investment trust share issues have fallen far short of their initial targets due to difficult market conditions.

There have been indications of interest for £25m of the new shares during the placing stage.

However, TR European's shares are trading at a slight premium, which shows that demand is relatively strong.

The public offer closes on May 13, and conversion should take place by the end of August.

TR European £60m conversion share issue

Likely £70m tag for Healthcall

By David Wighton

Healthcall, the UK's largest provider of out-of-hours doctors, is planning a flotation next month via a placing and intermediaries offer which would value the company at about £70m.

The £20m proceeds will pay off borrowings related to its 241.4m management buy-out from Air Call in 1990.

The duty doctor service, started almost 30 years ago, provides general practitioners with the out-of-hours cover they are obliged to supply.

Four times the size of its nearest competitor - Nestor-BNA's doctor deputising division - Healthcall has 5,300 subscribers out of the 20,000 GPs who practice in urban areas. It uses 64 full-time doctors and a pool of 1,400 part-timers, most of whom are subscribers.

In the two years to 1993 the number of annual visits increased by 16 per cent to 1.2m, helped by last year's flu epidemics, and the duty service generated 80 per cent of

the group's turnover of £58m (£31.2m). Group operating profit was £6.05m, up from £4.68m in 1991.

The management team, headed by Mr Maurice Henchey, chief executive, believes the group stands to benefit from many of the changes taking place in the National Health Service.

Healthcall is very well-placed to take advantage of the ageing population, the focus on cost control and efficiency and the increasing emphasis on providing healthcare through community-based services.

In addition to the duty doctor operation and its long-established medical telephone answering service, Healthcall has moved into the provision of eye care for the elderly and disabled in residential homes. Last month it bought a small homecare operation in Leicestershire.

The offer is being sponsored by Morgan Grenfell with James Capel as stockbrokers.

Pricing is expected to be announced on May 5.

This announcement appears as a matter of record only.

Leigh Interests plc

£45,000,000

Revolving Credit Facility

Arranged by

Samuel Montagu & Co. Limited

Funds Provided by

Midland Bank plc

Samuel Montagu & Co. Limited

ABN AMRO BANK N.V., Birmingham Branch

Banco Espírito Santo, London Branch

Crédit Lyonnais

Kredietbank N.V., London Branch

The Royal Bank of Scotland plc, Corporate Banking, Birmingham

Facility and Security Agent

Samuel Montagu & Co. Limited



SAMUEL MONTAGU

Member HSBC Group

March 1994

League Tables only tell half the story.

Pleased as we are to be one of the leaders in Corporate Finance and Capital Markets, there's a lot more to our first quarter's performance than simply being top of the league.

As an international Merchant Bank our clients have benefited from a wide range of services both in the domestic and international markets.

Our Export & Project Finance team has been involved in export finance transactions already this year totalling £2bn, utilising their extensive country and product knowledge to provide a fully integrated range of medium and long term export credit and project related services.

Our Specialised Financing division has been involved in arranging and providing debt facilities for a wide range of situations including management buy-outs, corporate acquisitions and flotations. Already this year they have been involved in transactions totalling over £1bn.

Within Samuel Montagu we bring to bear the specialist resources of all our divisions - together with those of the HSBC Group worldwide - to provide the most effective financing solution.

To get the whole picture, call us on 071-260 9000.



SAMUEL MONTAGU
HSBC Investment Banking

Samuel Montagu & Co. Limited
10 Lower Thames Street, London EC3R 6AE. A member of The Securities and Futures Authority
Member HSBC Group

VW28

Financial advisers on UK public takeovers: January - March 1994

Adviser	No of bids	Value £m
2 N M Rothschild (11)	2	374
3 Kleinwort Benson (1)	3	120
4 Charterhouse (-)	2	109

*1993 full-year ranking

Note: This table is based on completed and failed public offers: January - 30 March 1994, and includes only those advisers on two or more transactions.

Source: Acquisitions Monthly/AMDATA III

All Sterling Eurobonds
Bookrunners only 1 January - 31 March 1994

Managing bank or group	No. of issues	Total £(m)	Share %
UBS	6	1,155.64	12.23
SG Warburg	7	1,055.69	11.17
JP Morgan	4	949.53	10.05
Salomon Bros	4	847.40	8.96
Baring Bros	8	680.01	7.19

Source: IFR/SDC OmniBase.

Barclays

Barclays de Zoete Wood is both London and Sydney's adviser to Barclays Bank PLC in the sale of Barclays Bank Australia Limited to St George Bank Limited.



ELSEVIER

DIVIDEND

On 30 April 1994 the Annual General Meeting of Shareholders of Elsevier NV, Amsterdam approved the Company's 1993 Annual Accounts.

A dividend of F1.50 for the 1993 financial year was declared. Following payment of the 1993 interim dividend of F1.167 on 22 October 1993, a 1993 final dividend of F1.332 will be payable as of 18 May 1994.

Holders of registered shares recorded as such in the Company's share register as at 24 April 1994, will receive the final dividend, less 25% withholding tax, by payment to the bank account which they have notified to the Company.

Holders of bearer shares for which a CIF certificate has been issued, the dividend will be made available through the bank or broker who shall have custody of the dividend coupon sheet at the close of business on 24 April 1994.

Arrangements can be made with the Dutch and UK tax authorities for dividends to UK residents who are entitled to relief under the UK/Netherlands double tax convention to be paid subject to a reduced rate of Dutch withholding tax of 15%.

Amsterdam, 20 April 1994, The Executive Board

Up to 15% off electricity

021 423 3018

Powerline

THE ELECTRICITY BOARD

COMPANY NEWS: UK

Simon pulled back from the brink

David Blackwell on Maurice Dixson's changes at the engineering company

Mr Maurice Dixson has seized Simon Engineering by the scruff of the neck and in eight action-packed months dragged it back from the brink of receivership.

The speed of change at the group, best known for making access equipment such as fire rescue gear, is likely to slow following the announcement just before Easter of a £52.5m rights issue. Mr Dixson has described the issue as "the cornerstone that puts us on a sound financial footing".

The issue was flagged earlier in March, when the group announced a pre-tax loss of £160.3m for 1993. But Mr Dixson was determined not to go ahead until protracted negotiations with the group's many lenders had been finally unten-

The talks were concluded on March 30, leaving Simon with new banking and bonding facilities, from Lloyds and Barclays in the UK and from the Fifth Third Bank in the US, on completion of the rights issue.

Since Mr Dixson became chief executive on September 1 last year his main priority has been to drive down debt through a programme of tighter controls and disposals.

Shining through the flood of red ink in the 1993 results were two signs of hope.

Debt had been reduced from £158m when Mr Dixson took over to £117.8m at the year end and the cash haemorrhage had been stanched, mainly by getting working capital down.

In the first half the net cash outflow was £43.7m. In the second half there was a net cash inflow of £13.1m.

The debt reduction has been

achieved by disposals, mainly the sale in January of its 50 per cent share in TR Oil Services

to Unichem International to the Western Company of North America for £19.3m (£13.5m). The two sales ended Simon's involvement in chemical ser-

vices.

Further disposals are likely,

particularly Simon Petroleum Technology, which incurred losses of £5.5m for 1993, compared with profits of £2.6m in 1992. This division includes Robertson, the oil exploration group which accounted for almost half the £101.5m of goodwill written off last year.

Market conditions have been behind the bad performance in this division, but after the rights issue, Simon will be able to take its time with the disposal. Mr Dixson thinks it is a good business with good people. It could be sold this year but only "if we can get the right deal".

Mr Dixson's overall strategy is to concentrate on three core businesses - the access division, the storage division and Simon-Carves, the process engineering contractor. He believes the three are complementary.

Of the three only storage reported an operating profit for the year, up from £2.3m to £3.5m on turnover of £42.6m (£39.3m).

Mr Dixson sees this as a stable business with strong potential for growth and assets that can be used as a hedge for Simon-Carves, where the assets are people and technology.

In addition the division has

the only deep water site on Humber side not owned by Associated British Ports. The

200-acre site already has good road and rail heads in place, and the group is seeking to unlock the value.

Access incurred a loss of £14.2m, including exceptional losses of £10.3m, on turnover sharply ahead at £161.7m (£134.2m). This compared with a profit of £2.2m in 1992.

However, Mr Dixson sees plenty of opportunity for this division to build on its world market share of 15 per cent.

The management has been replaced and European production is being concentrated in Gloucester. Once the restructuring is completed this summer, he sees no reason why the division should not be returning 10 per cent.

Losses at Simon Carves rose from £1m in 1992 to £3m last year on turnover down from £29.2m to £21.3m. Mr Dixson says the division completed its £260m contract to build an electronic factory at Yerevan in Armenia at the end of 1992 with very little on its order books.

He believes, however, that the group is well poised to take advantage of an upturn in demand. It will be further helped by new banking and bonding facilities.

In order to carry through his plans Mr Dixson has reorganised the board. He appointed

Mr Tim Redburn, formerly of Lep, as finance director, in place of Mr Alan Jarvis, and precipitated the resignation of

Mr John Barker, who was responsible for building Simon into the world's biggest producer of powered access equipment.

Under the 5-for-3 rights issue

the group is issuing 55.9m new shares at 10p. The issue, fully underwritten by Hill Samuel and SG Warburg, was approved by shareholders last Friday. Pro forma gearing will be cut from 284 per cent to 51



Maurice Dixson: recovery strategy is to concentrate on access, storage and Simon Carves and sell peripheral activities

aboard since 1977, who, in January, was relieved of his responsibilities as managing director of the industrial services division. He has been concentrating on the disposal programme, and will be retiring at the end of the year.

City analysts believe this year should see the completion of Simon's restructuring, with benefits starting to flow through to shareholders in 1995. "It's not a new era dawning," said one. "But they are in control."

Mr Ron Wheeler, who replaced Mr Barker at the head of access, has not been given a seat on the board. Mr Dixson has also appointed Mr Garry Dharwai, an old GEC colleague, as financial director of access.

Under the 5-for-3 rights issue

the group is issuing 55.9m new shares at 10p. The issue, fully underwritten by Hill Samuel and SG Warburg, was approved by shareholders last Friday. Pro forma gearing will be cut from 284 per cent to 51

per cent, with a further reduction expected by the end of the year.

City analysts believe this year should see the completion of Simon's restructuring, with benefits starting to flow through to shareholders in 1995. "It's not a new era dawning," said one. "But they are in control."

Mr Dixson is more positive yesterday buying 22,223 ordinary shares at 115p. After taking up his right he will hold 100,000 shares.

"I am completely satisfied

that we will be able to build a

profitable engineering group

around the three core busi-

nesses. We're looking at a com-

pany that really does have a

tremendous future."

Sherwood Computer shares rise despite loss

By James Binton,
Scottish Correspondent

Shares in Sherwood Computer Services rose 17p to 94p after the financial software company reported losses of £1.67m pre-tax for 1993, following exceptional charges of £1.86m, against profits of £3.02m.

The rise was more than made up for the fall to 60p in November after the USM quoted company issued its second profits warn-

ing four months.

There were no further sur-

prises yesterday with the com-

pany still blaming problems in

the local government and

Lloyd's insurance markets for

operating losses of £200,000

(£2.2m profits). Exceptional

costs related to provisions on

leases, redundancy costs and

other provisions.

Sherwood has decided to exit

from all peripheral activities

and since the year end has

sold Venus for £110,000, con-

cluded a agreement with Cap-

ita to take over Threshold and

Household and sold its 25 per

cent interest in Guardian Com-

puter Services for £235,000.

Losses per share were 35.78p

(34.1p earnings) and the final

dividend is passed, leaving the total at 1.75p (7p).

Havelock Europa stages recovery with £2.28m

near Edinburgh, and in Not-

tingham, designs, builds and installs commercial interiors. Most of its turnover comes from retailers, led by Boots and Marks and Spencer, with further work for Woolworths, Burton and House of Fraser.

It is, however, doing increasing work for the financial services sector which accounted for 17 per cent of turnover in 1993, against 12 per cent in 1992. "This will be the major area for our growth," Mr Haw

Balfour, chief executive, said.

Havelock serves institutions such as National Westminster Bank and the Co-operative Bank. In 1994 it has installed pre-fabricated installations for First National Bank of Southern Africa in Johannesburg and for YapiKredit in Istanbul. On both it worked with AT&T Global Solutions, formerly NCR, which supplied self-service banking equip-

ment.

Mr Balfour, which last paid a dividend in 1991, is propos-

ing a final of 2p, payable from earnings of 8.4p (losses 15.4p) per share.

Mr Norman Lessells, chair-

man, said the payment was a

good foundation on which to

base a progressive dividend

policy, and reflected the fact

that the company would even-

tually be subject to a full tax

charge.

Havelock, which operates

from plants in Dalgety Bay,

new ordinary shares (75.92 per cent) for its recent rights issue.

IRISH CONTINENTAL Group received rights issue take-up of 64.7 per cent, or 6.41m of the 7.57m shares offered.

M&W has exchanged contracts for the purchase of six convenience stores from Kings Quality Food Stores for £90.000 plus stock at valuation, payable in cash on completion.

CRP LEISURE: After taking a 22.3 per cent stake at the end of March, Dolmen Holdings is making an unsecured interest free loan of £150,000 to be repaid from a placing, underwritten by Dolmen, to raise a minimum of £400,000. Dolmen is to be represented on the CRP board.

EIS GROUP has acquired C&F Miller of Bristol for £489,000 cash. A further cash consider-

ation of up to £100,000 is profit

related. C&F Miller designs and makes aero engine tooling and maintenance equipment and supplies gears to the aircraft industry.

GREENALLS GROUP has pro-

posed a cash acquisition of all

the £324,343 3.85 per cent

cumulative preference stock of

JA Devenish.

GUINNESS PEAT has agreed to purchase Parfis New Zealand, conditional on Parfis acquiring First Medical, a health insurer, from Manchester Unity Friendly Society.

HOLLAS GROUP rights issue

taken up in respect of 52.39 per

cent or 43.3m shares of the 75m offered.

HENLYS GROUP has received acceptances in respect of 7.2m

This notice is issued in compliance with the requirements of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("the London Stock Exchange"). It does not constitute an invitation to any person to subscribe for, or purchase any of, the Ordinary Shares of Superscape VR plc ("the Company").

Application has been made to the London Stock Exchange for all of the undermentioned Ordinary Shares to be admitted to the Official List. It is expected that dealings in the Ordinary Shares will commence on 28 April, 1994.

Superscape VR plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 2869780)

Placing

by Henderson Crosthwaite Corporate Finance Limited

of 1,754,000 Ordinary Shares of 10p each

at a price of 198p per share

payable in full on acceptance

Authorised

Number of Ordinary Shares of 10p each

Nominal value of Ordinary Shares

Issued and to be issued fully paid

£5,305,646

Copies of the listing particulars relating to the above Company may be obtained during normal business hours on any weekday, Saturdays and public holidays excepted, up to and including 22 April, 1994 from the Company Announcements Office of the London Stock Exchange, London Stock Exchange Tower, Capel Court entrance, off Bartholomew Lane, London EC2N 1HP (for collection only) and up to and including 4 May, 1994 from:

Superscape VR plc
Zaphyr One
Calver Park
Aldermaston, Berkshire RG7 4QZ

Henderson Crosthwaite Corporate Finance Limited
32 St. Mary at Hill
London EC3P 3AJ
21 April, 1994.

To the Holders of
Sinking Restructured
Obligations Backed by
Senior Assets 2 (ROSA2)

Pursuant to the Indenture dated as of January 10, 1992, between the Parent and State Street Bank and Trust Company, as Trustee, notice is hereby given that for the Interest Accrued Period from April 15, 1994 through July 14, 1994, the rate applicable to the Secured Senior Floating Rate Notes and Secured Senior Subordinated Floating Rate Notes are 4.6500% and 5.3500% respectively.

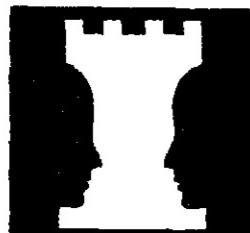
INDEXIA II Plus
The ultimate technical analysis system
includes INDEXIA I, INDEXIA II and INDEXIA III.
INDEXIA Research, 121 High St., Berkhamsted, Herts HP4 2DZ.
Tel: (0442) 876834 Fax: (0442) 876834

CITY INDEX
THE CITY'S BOOKMAKERS
The Market Leader in several betting - Financial and Sports. For a brochure and an account application form call 071 581 3647.
Accounts are normally opened within 72 hours.
See our website at <http://www.gsb.com>

Rank Xerox, Marks & Spencer, 3M, Psion, Thomas Cook, Damart, Alton Towers, Rover, ICL, Aroma Cafe, La Fornaia bakeries, Land Rover, Glan Clwyd District Hospital, Domino's Pizza...

...tell you how they carry out Benchmarking and Competitor Analysis, achieve Customer Focus and Build Customer Relationships.

The Financial Times Business Toolkit series will train you to do the same for your business.



Know Your Enemy:
Competitor Analysis
for Success

"You have to ask yourself the question, even if you're in a small niche, if we're doing well, and making so much profit here in this area, what's to stop others coming in if the opportunity's there. They will come, be quite confident of that, that's a certainty."

David Potter, Chairman, Psion UK plc

Competitor analysis should be critical to what you do, whether you start a business or whether you run a business. Frankly, I don't think you can go into business without understanding who else is there, in that market, and what they do."

Michael Zur-Szapiro, Managing Director, Aroma Cafe



Focus on the Customer

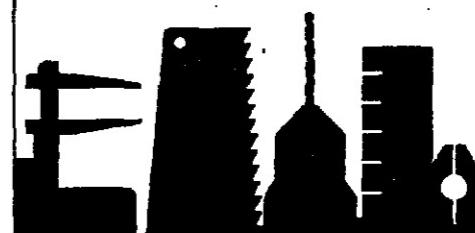
"I believe that real customer focus has to start from the top down and the bottom up, and it has to be totally accepted by the whole workforce, otherwise the lines of communication will fail, and the whole customer care and customer focus will fail."

Andrew Hollingsworth, Divisional Director, Alton Towers

"If we launch a product and it's a failure, we'll get a very quick reading within two to three weeks and the product is removed. What we have got behind this development process is a highly flexible supply base where we can actually produce small volumes of products so that there isn't this expense of having produced special equipment for a launch. So we'll launch products, and if they fail, they'll be removed."

Lee Gill, Executive, Food Division, Marks & Spencer

FINANCIAL TIMES



BUSINESS TOOLKIT



Benchmarking to Win

"If you're a monopoly and no one else can enter your market place, then you can still be successful and you can still make good money, but that never lasts forever, and it didn't last forever for us. We saw our market share decline from 100% to something like 17%, and it's recovered."

Sean Pantling, Director and General Manager

West London, Rank Xerox UK

"You've got to want to change. If the motivation to change is there, it has to really start with top level commitment to want to transform the business."

Graham James, Chief Executive, Courtaulds Films



Building Customer Relationships

"We put the same amount of energy into attracting existing customers as we do into attracting new customers. Within the mentality of each store is the realisation that the existing customer is all important to today's business."

Chris Moore, Domino's Pizza

"The old image of the buyer is somebody who sits there and is only good at saying one thing, and that's NO; beating-up suppliers, drawing blood from them, not caring about the impact on the supplier, only what's best in terms of price for him as the customer."

John Cash, Purchasing Manager, Rank Xerox



"We don't rely on buying customer loyalty, we believe we have to earn customer loyalty, and we have to do that by making sure that the products that we offer and the service that we offer through ourselves and our dealerships, meet exactly what the customer requires from us."

Peter Wyhinny, UK Operations Manager, Land Rover

A new generation of training videos, the Financial Times Business Toolkits have been developed for managers to set their individual or team development agenda.

Lively, 25 minute documentary style videos.

Practical advice from real managers in real businesses, facing your business issues.

Experts from London Business School, Dun & Bradstreet and Nottingham Trent University provide the analysis, together with leading business, management and market research consultants.

Develops into hours of intensive self or group development in conjunction with a User Manual, Workbook and Manager's Guide.

Available in two options:

		£395 Full Toolkit	£195 Budget Toolkit
Video A	the full 25 minute film	✓	✓
Video B	full version + prompts for interaction with support material	✓	
User Manual	introduction to using the Toolkit, highlights the key learning points	✓	✓
Workbook	for individual use with Video B	✓	
Manager's Guide	for team development, used with Video B	✓	
Notepad, pencil & folder		✓	✓

See For Yourself...

Preview the series and the Toolkit concept for just £5 with a Catalogue Video.

Order a Toolkit within 14 days, we'll give you a 10% DISCOUNT and your £5 back.

Please complete & return to: Longman Professional, FREEPOST WC 5806, LONDON, WC2E 9BR. No stamp required. Or fax back your order on: 0704 231970. Telephone orders: 0704 24331.	Please charge my Access/Visa/Mastercard/Barclaycard/Diners Club/American Express £ _____ (Total) Add 17.5% VAT
LONGMAN	CARD NUMBER: _____
<input type="checkbox"/> Know Your Enemy - full version @ £395.50 (usual price £395)	EXPIRY DATE / SIGNATURE _____
<input type="checkbox"/> Know Your Enemy - budget version @ £175.50 (usual price £195)	Please invoice me at the address below for £ _____ (Total) Add 17.5% VAT
<input type="checkbox"/> Benchmarking to Win - full version @ £355.50 (usual price £395)	I enclose a cheque payable to Longman Group for £ _____ (Total) Add 17.5% VAT
<input type="checkbox"/> Benchmarking to Win - budget version @ £175.50 (usual price £195)	COMPANY _____
<input type="checkbox"/> Focus on the Customer - full version @ £355.50 (usual price £395)	NAME _____ POSITION _____
<input type="checkbox"/> Focus on the Customer - budget version @ £175.50 (usual price £195)	ADDRESS _____
<input type="checkbox"/> Building Customer Relationships - full version @ £355.50 (usual price £395)	TELEPHONE _____ FAX _____
<input type="checkbox"/> Building Customer Relationships - budget version @ £175.50 (usual price £195)	VAT NUMBER _____
Please add £6 postage and packing for each Toolkit ordered in the UK, £10 for the rest of Europe	
Code FT1PP	

COMMODITIES AND AGRICULTURE

Aluminium output falls as cuts bite

By Kenneth Gooding,
Mining Correspondent

Clear evidence that the international agreement which aims to cut global annual aluminium output by about 10 per cent is taking hold emerged as delegates from some of the world's major producer countries prepared for their meeting in Brussels today.

Aluminium output in the western world dropped by 622 tonnes a day, equivalent to 231,000 tonnes a year, between the end of February and March 31, according to the International Primary Aluminium Institute, whose statistics cover more than 90 per cent of western production.

This is the second-largest monthly fall since IPAI records began, said Mr Nick Moore, analyst at Ord Minnett. "This is good fundamental news for

the aluminium market," he said. "It shows that the efforts the industry is making [to cut annual global output by 1.5m to 2m tonnes] is having an impact. And that impact should be even more pronounced next month."

Western producers have so far announced annual cuts totalling more than 900,000 tonnes. Elkem of Norway joined the list yesterday when it said it would reduce annual output by 10,000 tonnes - not quite 5 per cent of its 200,000-tonnes production - from September and hold that level until the end of 1995.

Trade delegates from Australia, Canada, the European Union, Norway, Russia and the US meet in Brussels today to compare notes on the progress made since they reached an understanding about the cuts in January.

Elections hit SA mines

By Kenneth Gooding

Output from all South African mines was falling because of the first all-party elections, Mr Gary Maude, chairman of GenGold, the country's third-largest gold producer, said yesterday. Another GenGold official estimated that gold production was down by as much as 5 per cent in the first quarter.

"This is not a conscious go-slow," said Mr Maude. "But there is an expectant atmo-

sphere and people are not working with their usual concentration." There had also been a unusual rash of wildcat strikes about industry issues over which mine managers had no influence.

All GenGold mines will shut on April 26, the first election day. Mr Maude said there might be increased militancy after the elections but he felt sure that the new government would want to ensure a continued flow of revenues from gold.

Freepost said that if, as planned,

Freeport Indonesia supplied half the concentrates required by the two smelters, subject to aggressive land claims and overshadowed by a volatile political climate.

All of which explains why

Freepost rescues Indonesian smelter plan

By Kenneth Gooding

Freeport McMoRan of the US has stepped in to salvage Indonesia's US\$550m copper smelter project that was threatened by the financial collapse of Metallgesellschaft of Germany. Freeport said it would take over the lead role to build a 150,000 to 200,000-tonnes smelter at Gresik, near the industrial port of Surabaya.

Freeport said that Nippon Mining, which was previously involved, was still interested in joining the project, as were a number of other companies.

It pointed out that the Indonesian smelter, which could come into operation during 1996, would be guaranteed a long-term supply of concentrate (an intermediate material) from Freeport Indonesia, which by 1996 would be producing an annual rate of 490,000 tonnes of copper in concentrate and 1.5m troy ounces of gold.

Freeport is also to spend \$215m to expand annual capacity at its recently-acquired Huwei smelter in Spain from 150,000 to 270,000 tonnes by early 1996.

It said that if, as planned, Freeport Indonesia supplied half the concentrates required by the two smelters, subject to aggressive land claims and overshadowed by a volatile political climate.

All of which explains why

Moment of truth approaches for PNG mining

Financing of the Lihir project will provide a test of bankers' faith, writes Nikki Tait

Ian Holzberger, exploration manager for Highlands Gold, stands on remote drill-site, high above the Frieda River in the north-western Papua New Guinea. "If this was anywhere else in the world, we wouldn't be here," he says.

The phrasing may be curious, but the implication is clear: in any other country some form of commercial mining would be under way on the identified gold-copper deposit. As it is, despite the continuing drilling programme and some optimistic noises from Highlands, analysts remain to be convinced that the prospect is commercially viable.

It is easy to see why. For hundreds of kilometres, there is little besides rain-forest and clouds. The site is so remote that access to any mine development would have to be up a couple of rivers, and then via some newly-constructed road link. A facility for copper production would have to be built into the steeply-sloping hillsides and steeply brought to the site. In the meantime, there would be the problem of establishing land rights and negotiating compensation. Already, despite the apparent obscurity of the location, locals are paying attention.

All of which explains why PNG represents the ultimate mining conundrum - extremely rich from a geological perspective, but devoid of basic infrastructure, subject to aggressive land claims and overshadowed by a volatile political climate. According to a recent survey of two dozen Australian mining and petroleum companies by Mining Monthly magazine, the country has the highest perceived international investment risk, easily surpassing the likes of Russia, China and Brazil.

The extent of this "PNG factor" has been brought home to the investment community on a number of occasions, causing sentiment towards the country to ebb and flow in recent years. The most dramatic loss of confidence came in 1989, when the Panguna copper mine on

Bougainville closed after bitter clashes with local landowners and the island's secessionists. Not only did this shatter PNG's international reputation, but it also wrought major damage to the domestic economy.

More recently, investment attitudes have been more equivocal. Sentiment took

second group of banks who reared away and wouldn't have anything to do with the loan".

The test of this new-found faith will come over the large Lihir project. The potential mine is located on one of the islands within the New Ireland province and is a joint venture between Britain's RTZ and Nugal Mining, with the PNG government also involved. Financing for the development is due to be completed this year, and the original plan was to split this between a share issue, raising perhaps \$A400m, and a debt facility of about \$A300m.

Unfortunately, in the way of PNG, politics have already caused the initial timetable to slip and the structure of the project has - in the words of one observer - "headed into the twilight zone". For what were viewed as domestic reasons, Mr Paiss Wingti, PNG's prime minister, announced a government reshuffle over Christmas. Mr Mackay Ingallio, the former mining minister, moved to finance and Mr John Kaputin took over the resources portfolio. In the wake of these upheavals, the supposedly-imminent special mining lease for the Lihir development did not materialise.

BP Minerals attributes the show of confidence to two factors. First, it points out that Ok Tedi has become an established project, operating for over a decade. But secondly, it perceives some shift in the international bankers' attitudes towards PNG, suggesting that a familiarity with country is beginning to build up.

Bank of America, one of the lead banks in the Ok Tedi transaction, concurs - although it admits that opinions in the financial community are still sharply divided. "There's been a dramatic improvement from post-Bougainville," says Mr Simon Dodd, in the Melbourne office. "The banks in there [the Ok Tedi syndicate] are ones who've come to know the people, the companies, the real issues."

But, he admits: "There was a

dust in settling. Those same 'PNG' stocks, for example, have regained all or much of the lost ground - although, as one analyst puts it, 'things could hardly get worse'." Meanwhile, the BHP-controlled Ok Tedi copper mine, to the north of the country, revealed earlier this year that it had signed a three-year US\$140m revolving credit facility without the bankers demanding any political risk insurance. It was the first time that this precaution had been omitted for a PNG project.

BP Minerals attributes the show of confidence to two factors. First, it points out that Ok Tedi has become an established project, operating for over a decade. But secondly, it perceives some shift in the international bankers' attitudes towards PNG, suggesting that a familiarity with country is beginning to build up.

cise, and the smoothness with which it is conducted, will be "interesting to watch", says one, slightly sceptical, observer.

But it is not just the international sentiment which will be tested by the Lihir financing; domestic aspirations are also involved. On the one hand, there is an acute need to bring in new resources projects to maintain the country's economic growth. A report published this week by the Asia-Pacific Economics Group suggested that GDP would be flat, or even decline in 1994, after the 1.4 per cent growth last year. "Substantial growth" might then resume in 1995, provided construction on the Lihir and South East Gobe oilfield projects was getting underway.

The PNG government has also advocated a local stock market, which - at least in theory - could facilitate the realisation of its own holdings in domestic ventures and the retention of PNG assets in PNG hands.

Discussions have been held with the Australian Stock Exchange on the technicalities, and with a number of Australian brokers over market-making. Given the high-level political commitment, most observers believe the project stands a good chance of becoming a reality - although Mr Ingallio recently played down the prospect of a July opening, preferring an end-1994 target date.

But the level of business conducted on the new market is more debatable. Landowner compensation coupled with the build-up of local institutional funds and a large expatriate community means that there is no shortage of investable money in PNG. A ready supply of quality companies is more questionable, especially outside the core resources sector. "The key," says Bruce Parrett, head of McIntosh Securities, the only Australian firm to maintain a small PNG office, "will be the quality of the companies". Lihir could prove a valuable boost.

MARKET REPORT

London coffee futures squeezed higher

A shortage of supplies available for nearby delivery pushed COFFEE prices back towards last week's highs at the London Commodity Exchange yesterday.

The prompt May futures position surged \$9 to \$1,592 a tonne, dragging the July contract to \$1,484, up \$33. High internal demand has squeezed

export availability in Brazil, traders explained.

The London GOLD price fell \$1 to a fresh 4½-month low of \$371.80, a trifle ounce as the market continued to digest the consequences of a tighter US policy on short term interest rates, which would tend to benefit the bond market.

At the London Metal

Exchange most base metals turned lower by the close as technical indicators continued to turn bearish, although COPPER ended slightly higher.

ALUMINIUM eased back to test support under \$1,290 a tonne, for delivery in three months despite the fall in March IPAI production.

Compiled from Reuter

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7% purity (\$ per tonne)

Cash 3 mths

Close 1284.5-5.5 1280.5-1.0

Previous 1265.5-6.5 1261.5-1.5

High/low 1298.5/1289

AM Official 1263.5-4.0 1268.5-5

Kerb close 1290-1

Open int. 262,380

Total daily turnover 40,245

Total daily turnover 40,245

■ LEAD (\$ per tonne)

Close 425.5-6.5 440-41

Previous 431.5-6.5 445-7.0

High/low 431.5 440/443

AM Official 431.5-2.0 442-5

Kerb close 431.5-2.0 442-5

Open int. 33,111

Total daily turnover 5,246

■ NICKEL (\$ per tonne)

Close 527.5-85 530-55

Previous 523.5-35 540-410

High/low 523.5-35 540-410

AM Official 531.0-15 538-50

Kerb close 534.5-50

Open int. 52,092

Total daily turnover 11,029

■ TIN (\$ per tonne)

Close 528.5-300 535-540

Previous 533.5-45 538-400

High/low 531.5-500 535-510

AM Official 530.5-10 536-50

Kerb close 535.5-50

Open int. 52,865

Total daily turnover 33,240

■ COPPER, grade A (\$ per tonne)

Close 1893.5-4.5 1903-4

Previous 1871.2-5 1892.5-4.0

High/low 1875 1902/1901

AM Official 1874.5-7.5 1897-7.5

Kerb close 1896.7

Open int. 185,162

Total daily turnover 50,200

■ LME COTTON Official 6/8 ratio (\$/cwt)

Close 140.5-1.0 140.5-1.0

Previous 140.5-1.0 140.5-1.0

High/low 140.5-1.0 140.5-1.0

AM Official 140.5-1.0 140.5-1.0

Kerb close 140.5-1.0 140.5-1.0

Open int. 140.5-1.0 140.5-1.0

Total daily turnover 140.5-1.0 140.5-1.0

■ CRUDE OIL NYMEX (\$/10,000 bbls, \$/barrel)

Close 39.55-40.55 40.55-41.55

High/low 39.55-40.55 40.55-41.55

AM Official 39.55-40.55 40.55-41.55

Kerb close 39.55-40.55 40.55-41.55

Open int. 39.55-40.55 40.55-41.55

Total daily turnover 39.55-40.55 40.55-41.55

■ CRUDE OIL NYMEX (\$/barrel)

Close 39.55-40.55 40.55-41.55

High/low 39.55-40.55 40.55-41.55

AM Official 39.55-40.55 40.55-41.55

LONDON STOCK EXCHANGE

MARKET REPORT

Hopes for base rate cut upset by earnings dataBy Terry Byland,
UK Stock Market Editor

Weakness in the bond market, following news of a sharp rise in average earnings in the UK, cast fresh clouds over base rate hopes and helped drive the UK stock market down below the FT-SE 3,100 mark yesterday. A rally in mid-afternoon was reversed when Wall Street came in lower behind a nervous Federal bond market.

Share prices opened firmly and made further ground in early trading after the news that rates had been trimmed by 12 basis points at the Bundesbank repo tender. Even at that stage, confidence was checked by the refusal of bond markets across Europe to respond favourably to the German move.

But London share prices tumbled

when gilt-edged securities fell on the release of the latest statistics on average earnings, unit wage costs and unemployment. The underlying rise of 3.5 per cent in average earnings in February, together with a 1.8 per cent gain in unit wage costs for the three months to February, dealt a further blow to hopes for the cut in UK base rates still sought by many analysts.

Share prices quickly fell away behind the June stock index future but, although the future contract briefly pierced the 3,100 mark, the underlying market rallied just above this support level.

The final reading put the FT-SE Index at 3,056.3, with a net loss on the day of 29.7 points. Equity char-

acters now see little support before "New line: delisting may take place from two business days earlier."

said that the more significant pressure on sentiment came from the absence of a recovery in US Federal Bonds. Markets remain nervous of a further tightening of credit policy by the Federal Reserve, perhaps after next week's meeting of G7 ministers.

The final reading put the FT-SE Index at 3,056.3, with a net loss on the day of 29.7 points. Equity char-

acters now see little support before

the 3,060 area unless there is a move on base rates. Analysts expressed some nervousness ahead of this morning's announcement of domestic retail sales for March, which will flesh out the report from the Confederation of British Industries this week that retail sales appeared to be slowing down. At the time, this was seen as encouraging for a hopes of a base rate cut but, in the light of yesterday's average earnings data, might now be received less favourably.

The FT-SE Mid 250 Index fell 22.3 to 3,782.6 as profit-taking moved in on the cyclical stocks which have been among the better favoured equities over the past month.

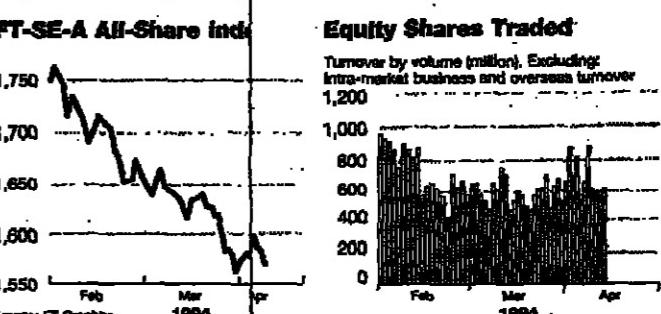
Seas volume was slow to develop, with most of the institutions confining their attention to special situations; bid speculation was heard in

the oil sector but across the range of equities, activity was restrained by renewed reports of heavy losses in non-Poole stocks.

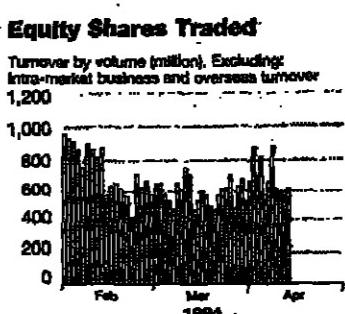
The day's seas total of 675.5m shares compared with 769.5m on Tuesday, when retail or customer business was worth £1.4bn. Around 54 per cent of yesterday's business was in non-Poole stocks.

The biggest losses came among the banks and similar financial stocks, which have been strong in recent weeks as interest rate activity has boosted activity in the securities markets where these companies hold and trade their assets. But analysts agreed that it was the uncertainty in European and US bond markets, reflected in highly erratic performances by UK government bonds, which is unsettling UK equities.

FT-SE-A All-Share Index



Equity Shares Traded



Key Indicators

Indices and ratios	FT-SE 100	3088.3	-29.7	FT Ordinary Index	2482.7	-21.5
	FT-SE Mid 250	3782.6	-23.3	FT-SE-A Non Fins p/c	20.38	(20.55)
	FT-SE 350	1578.0	-13.8	FT-SE100 Fut Jun	3086.0	-33.0
	FT-SE-A All-Share	1569.95	-12.98	10 yr Gilt yield	7.98	(7.84)
	FT-SE-A All-Share yield	3.70	(3.67)	Long gilt/equity yld ratio:	2.21	(2.19)

Best performing sectors

Oil Exploration & Prod.	+0.6	1 Merchant Banks	-3.1
2 Distributors	+0.4	2 Insurance	-2.4
3 Engineering	+0.2	3 Electricity	-1.6
4 Household Goods	+0.1	4 Transport	-1.5
5 Engineering, Vehicles	-0.1	5 Oil, Integrated	-1.4

Worst performing sectors

Oil Exploration & Prod.	-4.6	1 Merchant Banks	-3.1
2 Distributors	-4.4	2 Insurance	-2.4
3 Engineering	-4.2	3 Electricity	-1.6
4 Household Goods	-4.1	4 Transport	-1.5
5 Engineering, Vehicles	-4.0	5 Oil, Integrated	-1.4

Lasmo rises on bid hint

The oil share sector, one of the market's best performers in recent weeks as the oil price has topped \$15 a barrel, remained the centre of attention as dealers picked up hints that a bid for Lasmo may be in the offing. Elf, the French oil group, was once again identified as a potential bidder.

Lasmo shares performed well, against the market trend,

throughout the session, but suddenly moved sharply higher in mid-afternoon following a big buy out of the money May 154 call options, said to have been carried out by one of the big French-owned stockbrokers in the City.

News of the option market trade saw Lasmo shares spurt from 141p to 145p within seconds. Subsequent profit-taking caused the shares to drift off to close a net 5 higher at 141p. The "new" nil-paid shares jumped to 142p before settling 6 higher at 147p. Significantly, turnover in Lasmo "old" and "new" shares expanded as the "takeover" stories did the rounds. Lasmo old traded 9.3m

shares and the new 4.3m. turnover in the options market was the equivalent of 2.3m shares.

Dealers noted strong transatlantic buying of Lasmo shares last week as the stock traded the \$219m rights issue.

News of the option market trade saw Lasmo shares spurt from 141p to 145p within seconds. Subsequent profit-taking caused the shares to drift off to close a net 5 higher at 141p. The "new" nil-paid shares jumped to 142p before settling 6 higher at 147p. Significantly, turnover in Lasmo "old" and "new" shares expanded as the "takeover" stories did the rounds. Lasmo old traded 9.3m

institutions by James Capel, City Site's broker, which crossed the bulk of the shares at 14p. Capel is forecasting a rise in the group's net asset value from 32p to approaching 100p this year. In January, City Site reported a return to profits for the first time since 1988.

There were some big casualties in the composite insurance sector. Dealers fretted about the impact on big financial institutions of the retreat by international bond and equity markets since the US Federal Reserve embarked on its tightening of monetary policy in February.

The whole of the sector was

hit yesterday but the keenest action in the market was in General Accident, whose shares dropped to 59p before settling a net 2 off at 59p. The slide came after what was described as split selling order - while a broker's simultaneous dealing with a number of marketmakers was seen as a bearish signal. Turnover was a relatively heavy 1.2m shares. Elsewhere Commercial Union lost 11 to 59p, Royal 10 to 264p and Sun Alliance 12 to 32p.

Merchant banks also suffered from similar concerns.

SG Warburg, one of the biggest and most influential bond traders in London, and badly affected on Tuesday by a BZW downgrade, were hammered again after talk of a broker sell recommendation. Warburg shares slumped 40 to 69p. Hambros lost 13 to 365p and Schroders 10 to 121p. Kleinwort Benson eased 7 to 46sp.

In the clearing banks Barclays slipped 6 to 516p and HSBC 12 to 527p while Lloyds edged up 2 to 537p after UBS recommended switching into the last named. There was also talk that James Capel had taken HSBC, its parent, off its global buy list.

There was speculation that HSBC was about to launch a 240p a share bid for Hogg Group, the insurance broker where it recently built up a 7.3 per cent stake; Hogg rose 2 to 24p.

In the clearing banks Barclays slipped 6 to 516p and HSBC 12 to 527p while Lloyds edged up 2 to 537p after UBS recommended switching into the last named. There was also talk that James Capel had taken HSBC, its parent, off its global buy list.

There was speculation that HSBC was about to launch a 240p a share bid for Hogg Group, the insurance broker where it recently built up a 7.3 per cent stake; Hogg rose 2 to 24p.

Favourable US comment on Merck, the leading pharmaceuticals group, hit Zeneca whose shares fell 15 to 687p, the first

time they have been below 700p since last August. The comment focused on Merck's heart drug and led to some competition concerns for Zeneca's hypertension treatment, Zestril. Zeneca also suffered in

line with weak international stocks which all slipped in response to a weak Wall Street. Wellcome lost to 514p, in spite of the initial boost from a series of strong presentations to Swiss investors. But Glaxo H steady at 564p, although dealers suggested the third to its antiviral treatment, tac, from Ciba Geigy would go away. Hoare Govett, a major supporter of the company, now believes that sale the headline product will experience a 40 per cent annual decline in the US once it goes on patent at the end of next year.

The overseas era also overhung Reed International whose shares shied of a positive annual meeting to shed 583p.

Pearson held steady at 654p ahead of its semi on Monday, while Rents Holdings added 3% to 489p out of its presentation to analysts in Geneva early next week.

Some speculation moved in the market that prettymill will make a surprise launch of its rights issue by in tandem with the company's annual announcement.

The middle of M has been widely tipped as date for the rights issue and transport analyst was due to discount the idea that pretymill will move any earlier as "extremely unlikely". The shares lost 20 to 41.

Bryant Group, the market housebuilding company, was the pick of the construction stocks, the shares rising 6 to 164p, following upgrades

from two of the leading broking houses, Kleinwort Benson and NatWest Securities.

Vodafone closed 4 higher at 500p after NatWest said the stock had been oversold.

Allied Lyons steadied in a weak drinks sector, off a penny at 576p, as Kleinwort Benson reiterated its positive stance.

There was continued bid speculation around Laura Ashley, the shares buoyed up to 88p. The two names being linked with the upmarket women's clothes and furnishings group, Next and Sears, slipped 2 to 236p and a half to 124p, respectively.

The overseas era also overhung Reed International whose shares shied of a positive annual meeting to shed 583p.

Pearson held steady at 654p ahead of its semi on Monday, while Rents Holdings added 3% to 489p out of its presentation to analysts in Geneva early next week.

Some speculation moved in the market that pretymill will make a surprise launch of its rights issue by in tandem with the company's annual announcement.

The middle of M has been widely tipped as date for the rights issue and transport analyst was due to discount the idea that pretymill will move any earlier as "extremely unlikely". The shares lost 20 to 41.

Bryant Group, the market housebuilding company, was the pick of the construction stocks, the shares rising 6 to 164p, following upgrades

TRADING VOLUME

■ Major Stocks Yesterday

	Vol.	Chg.	Chg. %	Day's	Open	High	Low	Close	Chg.	Chg. %
ASDA Group	12,000	54	0.45	1,150.00	1,149.00	1,151.00	1,148.00	1,150.00	54	0.45
Abbey National	413	10	2.47	1,149.00	1,148.00	1,150.00	1,147.00	1,149.00	10	2.47
Albert Heijn	1,000	10	1.00	1,148.00	1,147.00	1,149.00	1,146.00	1,148.00	10	1.00
Anglo American	2,000	57	2.85	1,147.00	1,146.00	1,148.00	1,145.00	1,147.00	57	2.85
Anglo Welsh	450	48	10.67	1,146.00	1,145.00	1,147.00	1,144.00	1,146.00	48	10.67
Argos	2,000	24	1.20	1,145.00	1,144.00	1,146.00	1,143.00	1,145.00	24	1.20
Argus Group	5,000	124	2.58	1,144.00	1,143.00	1,145.00	1,142.00	1,144.00	124	

LONDON SHARE SERVICE

2020

WENIGER

BANKS										CHEMICALS										ELECTRONIC & ELECTRICAL									
Notes	Price	+	%	1984	Mkt	Notes	Price	+	%	1984	Mkt	Notes	Price	+	%	1984	Mkt	Notes	Price										
ABN Amro Pl.	\$29.5	+1	-1	1984	low	Credit	\$25.5	+1	-1	1984	low	Credit	\$24.7	+1	-1	1984	high	Credit	\$20.0										
ANZ AS	229.5	+1	-1	1984	low	Credit	226.5	+1	-1	1984	low	Credit	215.5	+2	+1	1984	high	Credit	207.5										
Abbey National	49.0	+1	-1	1984	low	Credit	52.5	+1	-1	1984	low	Credit	57.5	+1	-1	1984	high	Credit	62.5										
AICU Irish IE	10.0	+1	-1	1984	low	Credit	10.5	+1	-1	1984	low	Credit	10.5	+1	-1	1984	high	Credit	11.5										
Anglo Irish IE	10.0	+1	-1	1984	low	Credit	10.5	+1	-1	1984	low	Credit	10.5	+1	-1	1984	high	Credit	11.5										
ASFB Y	72.5	+1	-1	1984	low	Credit	76.5	+1	-1	1984	low	Credit	78.5	+1	-1	1984	high	Credit	80.5										
Banco BNL Pla	147.5	+1	-1	1984	low	Credit	156.5	+1	-1	1984	low	Credit	165.5	+1	-1	1984	high	Credit	175.5										
Banco Sant' Pla	52.5	+1	-1	1984	low	Credit	56.5	+1	-1	1984	low	Credit	59.5	+1	-1	1984	high	Credit	62.5										
BS Ireland IE	5.0	+1	-1	1984	low	Credit	5.5	+1	-1	1984	low	Credit	5.5	+1	-1	1984	high	Credit	5.5										
Bank Scotland	14.5	+1	-1	1984	low	Credit	15.5	+1	-1	1984	low	Credit	16.5	+1	-1	1984	high	Credit	17.5										
St George Pl	12.5	+1	-1	1984	low	Credit	14.5	+1	-1	1984	low	Credit	15.5	+1	-1	1984	high	Credit	16.5										
S. G. Warw Pl	12.5	+1	-1	1984	low	Credit	14.5	+1	-1	1984	low	Credit	15.5	+1	-1	1984	high	Credit	16.5										
Barclays Pl	12.5	+1	-1	1984	low	Credit	14.5	+1	-1	1984	low	Credit	15.5	+1	-1	1984	high	Credit	16.5										
Bankers Trust	10.0	+1	-1	1984	low	Credit	10.5	+1	-1	1984	low	Credit	11.5	+1	-1	1984	high	Credit	12.5										
Deutsche Kbn Y	10.0	+1	-1	1984	low	Credit	10.5	+1	-1	1984	low	Credit	11.5	+1	-1	1984	high	Credit	12.5										
Deutsche DM	22.5	+1	-1	1984	low	Credit	23.5	+1	-1	1984	low	Credit	24.5	+1	-1	1984	high	Credit	25.5										
Emirates Bank	6.0	+1	-1	1984	low	Credit	6.5	+1	-1	1984	low	Credit	7.0	+1	-1	1984	high	Credit	7.5										
Fleet Nat Fin	1.0	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	2.0	+1	-1	1984	high	Credit	2.5										
HSBC Cr Pl	6.5	+1	-1	1984	low	Credit	7.0	+1	-1	1984	low	Credit	7.5	+1	-1	1984	high	Credit	8.0										
TUC Cr Pl	6.5	+1	-1	1984	low	Credit	7.0	+1	-1	1984	low	Credit	7.5	+1	-1	1984	high	Credit	8.0										
Fiji Bank Y	147.5	+1	-1	1984	low	Credit	158.5	+1	-1	1984	low	Credit	169.5	+1	-1	1984	high	Credit	180.5										
HSBC HK	10.0	+1	-1	1984	low	Credit	10.5	+1	-1	1984	low	Credit	11.5	+1	-1	1984	high	Credit	12.5										
HSBC (75% Shg)	76.5	+1	-1	1984	low	Credit	81.5	+1	-1	1984	low	Credit	86.5	+1	-1	1984	high	Credit	91.5										
Lloyds	82.5	+1	-1	1984	low	Credit	88.5	+1	-1	1984	low	Credit	94.5	+1	-1	1984	high	Credit	100.5										
Mitsubishi Y	11.5	+1	-1	1984	low	Credit	12.5	+1	-1	1984	low	Credit	13.5	+1	-1	1984	high	Credit	14.5										
Mits. Trs & Br Y	9.5	+1	-1	1984	low	Credit	10.5	+1	-1	1984	low	Credit	11.5	+1	-1	1984	high	Credit	12.5										
Mitsel 1st & Br Y	7.5	+1	-1	1984	low	Credit	8.5	+1	-1	1984	low	Credit	9.5	+1	-1	1984	high	Credit	10.5										
Mit. Aus AS	5.5	+1	-1	1984	low	Credit	6.5	+1	-1	1984	low	Credit	7.5	+1	-1	1984	high	Credit	8.5										
NewWest	1.0	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	2.0	+1	-1	1984	high	Credit	2.5										
Ottomanne FFr	22.5	+1	-1	1984	low	Credit	23.5	+1	-1	1984	low	Credit	24.5	+1	-1	1984	high	Credit	25.5										
Rbk Crk Scotland	4.0	+1	-1	1984	low	Credit	4.5	+1	-1	1984	low	Credit	5.0	+1	-1	1984	high	Credit	5.5										
Sakura Y	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Santander Y	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Standard Charbd Pl	102.5	+1	-1	1984	low	Credit	107.5	+1	-1	1984	low	Credit	112.5	+1	-1	1984	high	Credit	117.5										
7.34pc Pl	9.5	+1	-1	1984	low	Credit	10.5	+1	-1	1984	low	Credit	11.5	+1	-1	1984	high	Credit	12.5										
Spartan Pl	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Santomeo Trs Y	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
TCS	21.5	+1	-1	1984	low	Credit	22.5	+1	-1	1984	low	Credit	23.5	+1	-1	1984	high	Credit	24.5										
Total Y	2.5	+1	-1	1984	low	Credit	2.5	+1	-1	1984	low	Credit	2.5	+1	-1	1984	high	Credit	2.5										
Toyo T& Crk Y	7.5	+1	-1	1984	low	Credit	7.5	+1	-1	1984	low	Credit	7.5	+1	-1	1984	high	Credit	7.5										
Westpac AS	22.5	+1	-1	1984	low	Credit	23.5	+1	-1	1984	low	Credit	24.5	+1	-1	1984	high	Credit	25.5										
Westpac Pl	22.5	+1	-1	1984	low	Credit	23.5	+1	-1	1984	low	Credit	24.5	+1	-1	1984	high	Credit	25.5										
DISTRIBUTORS																													
Eurothins	10.0	+1	-1	1984	low	Credit	10.5	+1	-1	1984	low	Credit	11.5	+1	-1	1984	high	Credit	12.5										
Fairley	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Feedback	4.0	+1	-1	1984	low	Credit	4.5	+1	-1	1984	low	Credit	5.0	+1	-1	1984	high	Credit	5.5										
Forward	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Futurist Tech	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Fujitsu Y	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Gecosat	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Gretzky	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Hewlett-Packard	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Hilco Ind	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Int'l Com Savg	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Johnson DHC	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Kemtrex	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Kemtrex (60)	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Korda Ind	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
LPA Inds	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Luc Riddle	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Linn Prod Tech	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
MTI Indv	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Microtronics	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Mitsch Elec Y	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Mitsch Engg	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Mitsch Mfg	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Motolink	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Motorlinks S	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
NEC Y	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Nokia Pl FM	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Peter Spot S	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Pelt	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Philips Pl	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Plesco	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Prudential	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Prudential	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Psi	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Plascon	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Prudential	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	low	Credit	1.5	+1	-1	1984	high	Credit	1.5										
Psi	1.5	+1	-1	1984	low	Credit	1.5	+1	-1																				

BREWERIES

BUILDING & CONSTRUCTION

EL ESTÁNDAR & EL ELECTRICAL FORUM - Cont. ENGENIERÍA VEHICULOS - Cont.

HEALTH CARE - Cont.

INVESTMENT TRUSTS - Cont.

PT - Cont.	ENGINEERING, VEHICLES - Cont.										HEALTH CARE - Cont.											
Mkt	14	PE	Notes	Price	+ or -	1994	Mkt	Ytd	1994	Mkt	Ytd	Notes	Price	+ or -	1994	Mkt	Ytd	1994	Mkt	Ytd		
Caps	63	PE	Lotos Inds.	21884	+	High	1894	NW	1894	NW	PE	Notes	Price	+ or -	1994	NW	PE	1994	NW	PE		
223	25	Warrants	1000	21884	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
425	25	PE	Mayflower	58458	+	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
121	21	PE	Mid States	16212	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
1181	28	PE	Motor Works	16212	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
565	18	PE	Select Inds.	74	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
205	25	PE	Systech	81141	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
1002	25	PE	TALI	21884	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
13889	13	PE	Telity	21884	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
6203	25	PE	Volkswagen Dm.	22884	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
6203	25	PE	Vox S Inv.	4	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
274	13	PE	EXTRACTIVE INDUSTRIES										HOUSEHOLD GOODS									
1261	25	PE	Afghan R.	97	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
165	53	PE	Anderson Res. (T)	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
458	44	PE	Anglo	21884	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
105	25	PE	Anglo Am Coal R.	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
545	17	PE	Anglo Amer R.	21884	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
223	-	PE	Anglo Pac Res. (A)	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
5003	15	PE	Anglores Expt. A	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
844	53	PE	Ayer Hines M.	145	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
18162	25	PE	Baileys Gold	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
1140	57	PE	Baltic Mining (O)	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
281	54	PE	Blyden R.	1874	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
1089	51	PE	Boulder Gold A	17	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
6206	59	PE	Bracken R.	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
317	15	PE	Brasilia App/Fm	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
224	17	PE	Buffalo R.	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
423	43	PE	Bull	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
283	23	PE	CRA Ag.	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
192	13	PE	Cash Res.	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Cat Rock P.	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	13	PE	Crossan R.	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	D Board Ltd Us R.	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Delta Gold A	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Dominion AS	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
1509	18	PE	Dormonton R.	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
1416	18	PE	Dragon Mining A	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
755	18	PE	Durban Deep R.	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
1416	18	PE	ERGO	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
4225	25	PE	Eagle Mining A	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
661	-	PE	East Road Pipe R.	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
1509	15	PE	Eastern Trans R.	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Easton Gold R.	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Edwards Gold A	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Emerson Res. A	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Equatorial Min A	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Ernesto Gold A	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Esso Gold A	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Exxon Gold A	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Fairchild Gold R.	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Farmers Gold A	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Farmers Gold B	18	-	Low	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Farmers Gold C	18	-	High	1894	1894	1894	PE	Notes	Price	+ or -	1994	1894	PE	1894	1894	PE			
503	23	PE	Farmers Gold D	18	-	Low	1894	189														

مكتبة من الأصل

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

| | 1st | 2nd | 3rd | 4th | 5th | 6th | 7th | 8th | 9th | 10th | 11th | 12th | 13th | 14th | 15th | 16th | 17th | 18th | 19th | 20th | 21st | 22nd | 23rd | 24th | 25th | 26th | 27th | 28th | 29th | 30th | 31st | 32nd | 33rd | 34th | 35th | 36th | 37th | 38th | 39th | 40th | 41st | 42nd | 43rd | 44th | 45th | 46th | 47th | 48th | 49th | 50th | 51st | 52nd | 53rd | 54th | 55th | 56th | 57th | 58th | 59th | 60th | 61st | 62nd | 63rd | 64th | 65th | 66th | 67th | 68th | 69th | 70th | 71st | 72nd | 73rd | 74th | 75th | 76th | 77th | 78th | 79th | 80th | 81st | 82nd | 83rd | 84th | 85th | 86th | 87th | 88th | 89th | 90th | 91st | 92nd | 93rd | 94th | 95th | 96th | 97th | 98th | 99th | 100th | 101st | 102nd | 103rd | 104th | 105th | 106th | 107th | 108th | 109th | 110th | 111th | 112th | 113th | 114th | 115th | 116th | 117th | 118th | 119th | 120th | 121st | 122nd | 123rd | 124th | 125th | 126th | 127th | 128th | 129th | 130th | 131st | 132nd | 133rd | 134th | 135th | 136th | 137th | 138th | 139th | 140th | 141st | 142nd | 143rd | 144th | 145th | 146th | 147th | 148th | 149th | 150th | 151st | 152nd | 153rd | 154th | 155th | 156th | 157th | 158th | 159th | 160th | 161st | 162nd | 163rd | 164th | 165th | 166th | 167th | 168th | 169th | 170th | 171st | 172nd | 173rd | 174th | 175th | 176th | 177th | 178th | 179th | 180th | 181st | 182nd | 183rd | 184th | 185th | 186th | 187th | 188th | 189th | 190th | 191st | 192nd | 193rd | 194th | 195th | 196th | 197th | 198th | 199th | 200th | 201st | 202nd | 203rd | 204th | 205th | 206th | 207th | 208th | 209th | 210th | 211st | 212nd | 213rd | 214th | 215th | 216th | 217th | 218th | 219th | 220th | 221st | 222nd | 223rd | 224th | 225th | 226th | 227th | 228th | 229th | 230th | 231st | 232nd | 233rd | 234th | 235th | 236th | 237th | 238th | 239th | 240th | 241st | 242nd | 243rd | 244th | 245th | 246th | 247th | 248th | 249th | 250th | 251st | 252nd | 253rd | 254th | 255th | 256th | 257th | 258th | 259th | 260th | 261st | 262nd | 263rd | 264th | 265th | 266th | 267th | 268th | 269th | 270th | 271st | 272nd | 273rd | 274th | 275th | 276th | 277th | 278th | 279th | 280th | 281st | 282nd | 283rd | 284th | 285th | 286th | 287th | 288th | 289th | 290th | 291st | 292nd | 293rd | 294th | 295th | 296th | 297th | 298th | 299th | 300th | 301st | 302nd | 303rd | 304th | 305th | 306th | 307th | 308th | 309th | 310th | 311st | 312nd | 313rd | 314th | 315th | 316th | 317th | 318th | 319th | 320th | 321st | 322nd | 323rd | 324th | 325th | 326th | 327th | 328th | 329th | 330th | 331st | 332nd | 333rd | 334th | 335th | 336th | 337th | 338th | 339th | 340th | 341st | 342nd | 343rd | 344th | 345th | 346th | 347th | 348th | 349th | 350th | 351st | 352nd | 353rd | 354th | 355th | 356th | 357th | 358th | 359th | 360th | 361st | 362nd | 363rd | 364th | 365th | 366th | 367th | 368th | 369th | 370th | 371st | 372nd | 373rd | 374th | 375th | 376th | 377th | 378th | 379th | 380th | 381st | 382nd | 383rd | 384th | 385th | 386th | 387th | 388th | 389th | 390th | 391st | 392nd | 393rd | 394th | 395th | 396th | 397th | 398th | 399th | 400th | 401st | 402nd | 403rd | 404th | 405th | 406th | 407th | 408th | 409th | 410th | 411st | 412nd | 413rd | 414th | 415th | 416th | 417th | 418th | 419th | 420th | 421st | 422nd | 423rd | 424th | 425th | 426th | 427th | 428th | 429th | 430th | 431st | 432nd | 433rd | 434th | 435th | 436th | 437th | 438th | 439th | 440th | 441st | 442nd | 443rd | 444th | 445th | 446th | 447th | 448th | 449th | 450th | 451st | 452nd | 453rd | 454th | 455th | 456th | 457th | 458th | 459th | 460th | 461st | 462nd | 463rd | 464th | 465th | 466th | 467th | 468th | 469th | 470th | 471st | 472nd | 473rd | 474th | 475th | 476th | 477th | 478th | 479th | 480th | 481st | 482nd | 483rd | 484th | 485th | 486th | 487th | 488th | 489th | 490th | 491st | 492nd | 493rd | 494th | 495th | 496th | 497th | 498th | 499th | 500th | 501st | 502nd | 503rd | 504th | 505th | 506th | 507th | 508th | 509th | 510th | 511st | 512nd | 513rd | 514th | 515th | 516th | 517th | 518th | 519th | 520th | 521st | 522nd | 523rd | 524th | 525th | 526th | 527th | 528th | 529th | 530th | 531st | 532nd | 533rd | 534th | 535th | 536th | 537th | 538th | 539th | 540th | 541st | 542nd | 543rd | 544th | 545th | 546th | 547th | 548th | 549th | 550th | 551st | 552nd | 553rd | 554th | 555th | 556th | 557th | 558th | 559th | 560th | 561st | 562nd | 563rd | 564th | 565th | 566th | 567th | 568th | 569th | 570th | 571st | 572nd | 573rd | 574th | 575th | 576th | 577th | 578th | 579th | 580th | 581st | 582nd | 583rd | 584th | 585th | 586th | 587th | 588th | 589th | 590th | 591st | 592nd | 593rd | 594th | 595th | 596th | 597th | 598th | 599th | 600th | 601st | 602nd | 603rd | 604th | 605th | 606th | 607th | 608th | 609th | 610th | 611st | 612nd | 613rd | 614th | 615th | 616th | 617th | 618th | 619th | 620th | 621st | 622nd | 623rd | 624th | 625th | 626th | 627th | 628th | 629th | 630th | 631st | 632nd | 633rd | 634th | 635th | 636th | 637th | 638th | 639th | 640th | 641st | 642nd | 643rd | 644th | 645th | 646th | 647th | 648th | 649th | 650th | 651st | 652nd | 653rd | 654th | 655th | 656th | 657th | 658th | 659th | 660th | 661st | 662nd | 663rd | 664th | 665th | 666th | 667th | 668th | 669th | 670th | 671st | 672nd | 673rd | 674th | 675th | 676th | 677th | 678th | 679th | 680th | 681st | 682nd | 683rd | 684th | 685th | 686th | 687th | 688th | 689th | 690th | 691st | 692nd | 693rd | 694th | 695th | 696th | 697th | 698th | 699th | 700th | 701st | 702nd | 703rd | 704th | 705th | 706th | 707th | 708th | 709th | 710th | 711st | 712nd | 713rd | 714th | 715th | 716th | 717th | 718th | 719th | 720th | 721st | 722nd | 723rd | 724th | 725th | 726th | 727th | 728th | 729th | 730th | 731st | 732nd | 733rd | 734th | 735th | 736th | 737th | 738th | 739th | 740th | 741st | 742nd | 743rd | 744th | 745th | 746th | 747th | 748th | 749th | 750th | 751st | 752nd | 753rd | 754th | 755th | 756th | 757th | 758th | 759th | 760th | 761st | 762nd | 763rd | 764th | 765th | 766th | 767th | 768th | 769th | 770th | 771st | 772nd | 773rd | 774th | 775th | 776th | 777th | 778th | 779th | 780th | 781st | 782nd | 783rd | 784th | 785th | 786th | 787th | 788th | 789th | 790th | 791st | 792nd | 793rd | 794th | 795th | 796th | 797th | 798th | 799th | 800th | 801st | 802nd | 803rd | 804th | 805th | 806th | 807th | 808th | 809th | 810th | 811st | 812nd | 813rd | 814th | 815th | 816th | 817th | 818th | 819th | 820th | 821st | 822nd | 823rd | 824th | 825th | 826th | 827th | 828th | 829th | 830th | 831st | 832nd | 833rd | 834th | 835th | 836th | 837th | 838th | 839th | 840th | 841st | 842nd | 843rd | 844th | 845th | 846th | 847th | 848th | 849th | 850th | 851st | 852nd |<
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

INSURANCES

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 573 4378 for more details.

OFFSHORE INSURANCES

GUERNSEY SIB RECOGNISED

IRELAND (REGULATED)

JERSEY (SIR RECOMMENDED)

MANAGEMENT SERVICES

IRELAND (SIB RECOGNISED)

JERSEY REGULATED

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

FT MANAGED FUNDS SERVICE

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and funds designated 5 will be quoted prior to U.K. closing. Yield % allows for six buying expenses. Prices of certain older issues include prices subject to capital gains tax or relief. In Germany, free of UK taxes, a Portfolio Protected Insurance (PPI) is available. A Single Premium Assurance is available in Germany. For further information, refer to the SICAV Information for Investors document. To obtain a copy, please call, e Usual price includes all expenses except agency commission, a Premium day's price, 100 German marks, if Suspended, + Yield Index, Jersey £1, B+ equivalent. It is Only available in convertible bonds. @ Yield option shows anticipated rates of N.Y. Increases, not as dividend.

(*) Funds not ESR recognised. The regulatory authorities for these funds are: Germany: Financial Services Commission; Scotland: Central Bank of Ireland; Isle of Man: Manx Financial Services Commission; Jersey: Financial Services Department; Luxembourg: Institut Monétaire Luxembourgeois.

MARKETS REPORT

Rate cut helps D-Mark

The D-Mark remained well supported yesterday despite a larger than expected 12 basis point cut in the repo rate by the Bundesbank, writes Philip Gauth.

The German currency was helped by the perception that higher US interest rates will curb the decline in German rates. It also benefited from its safe haven status as uncertainty in other European markets caused investors to seek refuge in the D-Mark.

Casualties of D-Mark strength included the dollar and the French franc. The US currency finished in London at DM1.694 from DM1.701. The French franc finished at its lowest level in over four months, closing at FF1.435 from FF1.429.

Belgium followed the German example and cut its central lending rate to 5.7 per cent from 5.8 per cent. The markets rewarded the move with the Belgian franc finishing slightly firmer in London at BEF20.50 from BEF20.59.

In the UK, the sterling index finished at 80.1, up from 79.8. Strong economic data persuaded the market that prospects of an interest rate cut had diminished.

The lowest bid accepted at the weekly securities repurchase auction in Germany was 5.58 per cent, down from 5.70 per cent. Although larger than anticipated, the cut was not sufficient to offset fears that higher US rates, and signs of an economic upturn in Germany, will slow the pace of monetary easing in Germany.

This was reflected in the fall in euromark futures prices. The June contract finished unchanged at 94.69, but the December future fell to 94.86 from 94.93.

German call money, on the other hand, was quoted slightly easier at 5.50/5.55 per cent from 5.50/5.60 per cent, after the announcement of the repo rate.

The lower rate had little impact on the D-Mark which was broadly stronger in Europe. It closed at Pt1.81.88 against the Spanish peseta from Pt1.81.86.

Attention today will focus

Germany

Repo rate, %

6.1

6.0

5.9

5.8

5.7

5.6

5.5

5.4

5.3

5.2

5.1

5.0

4.9

4.8

4.7

4.6

4.5

4.4

4.3

4.2

4.1

4.0

3.9

3.8

3.7

3.6

3.5

3.4

3.3

3.2

3.1

3.0

2.9

2.8

2.7

2.6

2.5

2.4

2.3

2.2

2.1

2.0

1.9

1.8

1.7

1.6

1.5

1.4

1.3

1.2

1.1

1.0

0.9

0.8

0.7

0.6

0.5

0.4

0.3

0.2

0.1

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4 pm close April 2

THE AEROSPACE TRADE SHOW



**Internationale Luft- und
Raumfahrtausstellung
28. Mai bis 5. Juni 1994
in Berlin-Brandenburg**

Please contact for further information:
Messe Berlin GmbH Fax 49-30/30385097

[View all posts by admin](#)

G
Q

51	388	74	8	52 ^a	52 ^b	52 ^c	1 ^d	68	63	KenOr 4.5	4.50	7.1	20	64	65	63	30 ^e	26 ^f	NYSEG x	220	82	12	1243	28 ^g	26 ^h	26 ⁱ	+1.5			
150	38	13	556	39 ^a	39 ^b	39 ^c	1 ^d	26 ^j	24 ^k	KemOr P	2.20	8.7	11	62	55 ^l	55 ^m	55 ⁿ	15 ^o	15 ^p	KemOr	0.72	1.9	18	2333	39 ^q	38 ^r	38 ^s	+1.2		
1.00	1.8	13	554	54 ^a	54 ^b	54 ^c	1 ^d	9 ^t	8 ^u	KemOr S	0.82	8.5	10	64	54 ^v	54 ^w	54 ^x	17 ^y	13 ^z	KemOr	0.46	26	44	340	15 ^{aa}	15 ^{ab}	15 ^{ac}	+1.2		
16	210	10	10 ^a	10 ^b	10 ^c	10 ^d	1 ^e	4 ^g	3	KemOr Srv	7	84	34	34	34	34	34	50	38 ^g	KemOr G	0.05	0.1	34	574	39 ^{aa}	37 ^{ab}	37 ^{ac}	-1.2		
188	58	312939	33 ^a	33 ^b	33 ^c	33 ^d	1 ^e	23 ^g	20 ^h	KemOr P	1.48	6.7	13	1020	224	214	214	24 ^g	21 ^h	KemOr	0.13	13	41	4784	48 ^{aa}	47 ^{ab}	47 ^{ac}	-1.2		
248	8.8	9	28 ^a	28 ^b	28 ^c	28 ^d	1 ^e	16 ^g	14 ^h	KemOr S 4%	1.00	6.9	23	141 ^g	141 ^h	142 ^g	142 ^h	61	49	Nova Corp x	0.17	63	16	455	52 ^{aa}	50 ^{ab}	52 ^{ac}	-1.2		
51x	1.25	6.8	3	18 ^a	18 ^b	18 ^c	18 ^d	1 ^e	29 ^g	41 ^h	KemOr S In	0.30	0.7	18	1311	438 ^g	438 ^h	402 ^g	402 ^h	100	88	NovaCorp x	0.19	39	19	89	88 ^{aa}	88 ^{ab}	88 ^{ac}	+2.0
1	100	9.4	506	10 ^a	10 ^b	10 ^c	10 ^d	1 ^e	10 ^g	7 ^h	KemOr S	0.10	1.0	14	75 ^g	75 ^h	75 ^g	75 ^h	49 ^g	49 ^h	KemOr G	3.60	83	7	44 ^g	44 ^h	44 ^g	44 ^h	+2.0	
0.83	29	15	10	30 ^a	30 ^b	30 ^c	30 ^d	1 ^e	38 ^g	25 ^h	Kolynd	0.25	1.2	24	53	265 ^g	265 ^h	248 ^g	248 ^h	209 ^g	175 ^h	Magnif	1.12	61	10	4516	10 ^{aa}	17 ^{ab}	15 ^{ac}	+1.2
170	14.0	3	73 ^a	73 ^b	73 ^c	73 ^d	1 ^e	21 ^g	16 ^h	Kumakushir	0.30	1.8	27	284 ^g	173 ^h	165 ^g	165 ^h	508 ^g	468 ^h	Magnif	0.69	15	12	2039	54 ^{aa}	52 ^{ab}	53 ^{ac}	+1.2		
0.04	0.16	6.6	520	4 ^a	4 ^b	4 ^c	4 ^d	1 ^e	10	8 ^g	8 Ben Ave	0.72	7.8	155	94 ^g	94 ^h	94 ^g	94 ^h	33	29 ^g	Nipco Inc	1.44	45	13	2267	31 ^{aa}	20 ^{ab}	31 ^{ac}	+1.2	
1.32	2.5	19	2191	53 ^a	53 ^b	53 ^c	53 ^d	1 ^e	58	47 ^g	Kellogg	1.36	2.5	16	102	49 ^g	49 ^h	49 ^g	49 ^h	47 ^g	47 ^h	NL Ind	0.20	12	3	993	64 ^{aa}	64 ^{ab}	64 ^{ac}	+1.2
0.40	0.9	29	5479	44 ^a	44 ^b	44 ^c	44 ^d	1 ^e	27	22 ^g	Kellogg	0.80	2.5	9	440	23 ^g	23 ^h	23 ^g	23 ^h	22 ^g	22 ^h	Notified	0.16	8.6	102	1129	28 ^{aa}	26 ^{ab}	26 ^{ac}	+1.2
46	104	33	33 ^a	33 ^b	33 ^c	33 ^d	1 ^e	11 ^g	9 ^h	Kem Mulf x	0.98	9.8	113	94 ^g	94 ^h	94 ^g	94 ^h	77	44	Mod Rec	8	155	46	46	44 ^{aa}	44 ^{ab}	44 ^{ac}	+1.2		
140	12.3	68	11 ^a	11 ^b	11 ^c	11 ^d	1 ^e	32 ^g	35 ^h	Kemper	0.92	22	4236	58 ^g	58 ^h	58 ^g	58 ^h	74 ^g	50 ^h	Marks	1.92	32	15	4851	61 ^{aa}	59 ^{ab}	60 ^{ac}	+1.2		
0.30	1.7	7	123	177 ^a	177 ^b	177 ^c	177 ^d	1 ^e	10 ^g	8 ^h	Kemper Hi	0.90	9.9	147	94 ^g	94 ^h	94 ^g	94 ^h	35 ^g	28 ^h	Mars Hydr	0.46	15	22	3238	31 ^{aa}	30 ^{ab}	31 ^{ac}	+1.2	
0.60	4.4	10	405	13 ^a	13 ^b	13 ^c	13 ^d	1 ^e	87	71 ^g	Kemper Hy x	0.70	8.5	337	72 ^g	74 ^h	73 ^g	73 ^h	13 ^g	73 ^h	Mars Inc	0.10	1.1	9	40	61 ^{aa}	52 ^{ab}	59 ^{ac}	+1.2	
0.12	0.6	112	204 ^a	204 ^b	204 ^c	204 ^d	1 ^e	134	11 ^g	Kemper Max	0.87	7.5	221	114 ^g	112 ^h	113 ^g	113 ^h	18 ^g	12 ^h	Min Park	0.30	2.2	16	68	14 ^{aa}	13 ^{ab}	13 ^{ac}	+1.2		

Continued on next page

NYSE COMPOSITE PRICES

4 pm close April 20

	1924	Yrs.	Pr.	Sta.	Chas.	Pr.	Chas.	
High	Low	Stock	De.	7%	1000	High	Low	Stock
Continued from previous page								
182 19½ Shyv	0.36	2.5	\$ 655	14½	14	14½	14½	14½
27 19½ Schwab			25 2256	14½	14½	14½	14½	14½
63 4½ Schwyzer-MG			188	5½	5½	5½	5½	5½
30½ 5½ Stiles Paper	0.20	0.4280	48	5½	5½	5½	5½	5½
28 2½ Stiles-P.P.	1.80	6.1	14	13	22½	20	20	20
90 76½ StPuf	1.00	3.6	1 1764	82½	82½	82½	82½	82½
9½ 6½ Saint Cap			9 239	8	7½	7½	7½	7½
39 38 Saint Cap			1.40 3.6	8 3278	40	35	35	35
13½ 17½ Salmon Br	0.34	2.8	22	22	22	22	22	22
52 44½ Salmon	0.64	1.3	6 2457	48	48	48	48	48
25 21½ SanOpie	1.52	6.7	12	44	44	44	44	44
16 7½ Samoar	0.16	1.9	9 1172	8½	8½	8½	8½	8½
40 34½ Samoar-Pac	2.80	7.5	17	23	37	37	37	37
21 21½ SamP	0.10	0.5	12 3866	22½	22½	22½	22½	22½
20½ 20½ SamPac	0.34	3.1	14 4508	82½	82½	82½	82½	82½
50½ 44½ Scan Corp	2.82	6.2	12 214	45	44½	44½	44½	44½
16 16 Scamp	1.42	8.5	11 12511	25½	25½	25½	25½	25½
40½ 34½ Schen-RP	2.80	7.5	26 250	35	34½	34½	34½	34½
69½ 54½ SchenPi	1.80	3.1	12 3670	56	56	56	56	56
81½ 50½ SchenPi	1.20	2.2	22 6281	53	53	53	53	53
33 25½ SchenSch	0.28	1.1	12 1978	87	87	87	87	87
10½ 6½ Schweizer			24 63	87	87	87	87	87
36½ 24½ Scher			1.12 0.5	52 1164	20	19½	19½	19½
16½ 13½ Scoten	0.10	0.8	12 20	19½	19½	19½	19½	19½
45½ 37½ Scott	0.80	2.0	10 8485	35	35	35	35	35
12½ 15½ Scotland-Naf	0.21	0.9	43	43	43	43	43	43
12½ 8½ Scotland-NF	0.16	1.6	160	10½	10½	10½	10½	10½
16½ 16½ SeaCoB	0.70	4.2	8 2109	100	100	100	100	100
16½ 15½ SeaCoL 4625	1.46	9.0	8	16½	16½	16½	16½	16½
31 26½ Seagre	0.56	2.6	36 3778	22	22	22	22	22
33½ 27½ Seagull En			36 882	23	23	23	23	23
55½ 42½ Sealed Air			20 425	21	21	21	21	21
13½ 11½ Seafarm Sel	1.60	3.5	7 71221	45	45	45	45	45
39½ 30½ Seafarm Sel	0.24	7.1	9 50	12	12	12	12	12
33½ 27½ Seafar	0.22	2.7	31 3631	31	31	31	31	31
40½ 30½ Seafar	0.22	2.4	20 27	27	27	27	27	27
23 23½ Seafar	0.17	1.5	10 20	20	20	20	20	20
23 23½ Seafar x	0.45	1.8	18 1532	22	22	22	22	22
22 22½ Seafar x	0.92	4.0	12 313	29	29	29	29	29
26 17½ Seafar Ind	0.22	1.1	25 2650	20	20	20	20	20
26 19½ Seafar Ind	0.80	3.6	25 3612	24	24	24	24	24
14½ 11½ Shelly WH	0.20	2.3	26 2100	12	12	12	12	12
35½ 56½ ShellTr	1.07	4.9	20 417	51	51	51	51	51
33½ 31½ ShellW	0.56	1.8	17 2118	32½	31	31	31	31
25½ 20½ Shemay	0.10	0.6	17 17	17	17	17	17	17
20 15½ Shemay	0.10	0.6	17 17	17	17	17	17	17
20 17½ Sherr PaC	1.12	6.1	11 192	15½	15½	15½	15½	15½
17½ 17½ Sherr PaC	1	1	14	7½	7½	7½	7½	7½
4½ 34½ Signal Brit	1.01	2.5	13 3223	42	39	39	39	39
20 20½ Silvers			27 3865	21½	21	21	21	21
13½ 11½ Simeon	0.16	8.7	33 24	12½	12½	12½	12½	12½
9½ 7 Simeon	0.16	2.3	49 21	7½	7½	7½	7½	7½
24½ 17½ Skyley	0.48	2.8	17 268	18½	17½	17½	17½	17½
5½ 3½ Sli Ind	0.05	1.5	15 15	17	17	17	17	17
5½ 4½ Sli Ind	0.20	4.2	59 21	47	46	46	46	46
12½ 8½ Sli Ind			33 3692	11½	11½	11½	11½	11½
23½ 26½ Sli Ind	1.22	4.6	13 21	26	26	26	26	26
30½ 23½ Sli Ind	1.22	4.9	18 1807	24	24	24	24	24
12½ 19½ Sli Ind	0.52	2.7	12 141	15½	15½	15½	15½	15½
24 20½ Sliker J	0.50	2.3	17 303	21	21	21	21	21
4½ 37½ Sliplin	1.01	1.9	15 18 1575	55½	55½	55½	55½	55½
33 25½ Sliplin	0.24	1.3	23 862	15	15	15	15	15
33 25½ Sliplin			27 3354	20½	20½	20½	20½	20½
33 26 Sliplin	1.01	1.8	6 2683	30	29	29	29	29
61½ 46½ Sliplin	0.47	0.8130	48	57½	57½	57½	57½	57½
19½ 15½ Sliplin	0.24	1.5	82 1808	16½	16½	16½	16½	16½
4½ 40½ Sliplin Cap	1.60	8.3	21 2160	42	42	42	42	42
39 30½ Sliplin Cap	2.50	8.8	21 2160	47	47	47	47	47
24 19½ Sliplin Ind	1.44	7.2	12 72	24	21	19½	19½	19½
32 22½ Sliplin Ind	0.50	2.0	63 943	24	21	19½	19½	19½
22 17½ Sliplin Ind	1.28	6.3	10 71	71	71	71	71	71
20½ 18½ Sliplin Ind	0.68	3.6	8 169	15½	15½	15½	15½	15½
22 18½ Sliplin Ind	1.18	5.9	6 9765	20	19½	19½	19½	19½
26½ 26½ Sliplin Ind	1.65	5.8	17 202	20	20	20	20	20
39 30½ Sliplin Ind	1.76	5.8	44 263	30½	30½	30½	30½	30½
15½ 15½ Sliplin Ind	0.04	0.8	26 8222	30½	30½	30½	30½	30½
15½ 15½ Sliplin Ind	0.76	4.9	18 1555	16	15½	15½	15½	15½
30 27½ Sliplin Ind	2.28	7.8	11 71	26	26	26	26	26
12½ 7½ Spain Fund	0.40	5.0	17 48	9½	9½	9½	9½	9½
7½ 6½ Spain Fund			17	57	57	57	57	57
18½ 14½ Sphere Co	0.12	0.8	5 15	15½	15½	15½	15½	15½
33 29½ Spring	1.20	15	12 15	34	33½	33½	33½	33½
32½ 32½ Spring	1.00	2.7	20 10357	36½	35½	35½	35½	35½
16½ 15½ SPR	0.40	2.5	20 82	16½	15½	15½	15½	15½
12½ 7½ SPR Co	0.40	2.4	8 4	16½	16½	16½	16½	16½
25 21½ SPR Ind	0.32	2.1	10 656	16	14½	14½	14½	14½
12½ 7½ SPR Motor	0.12	1.4145	527	8½	8½	8½	8½	8½
30½ 25½ Sprd-F	0.62	2.2	13 167	28½	27	27	27	27
25½ 24½ Sprd-F	0.52	1.9	17 52	27	27	27	27	27
37 37½ Sprd-F	1.00	1.9	19 52	37	37	37	37	37
44 36½ Sprd-F	1.38	14	19 505	40	39	39	39	39
25 21½ Stern Ind	0.08	2.8	21 2160	25	25	25	25	25
11½ 10½ State Mail	0.28	3.5	22 161	20	19½	19½	19½	19½
24½ 22½ Sted-Fit	0.60	2.4	7 533	20	19½	19½	19½	19½
7½ 6½ Stengard	0.20	2.8	6 17	7½	7½	7½	7½	7½
4½ 3½ StenChem	0.10	1.3	56 585	5½	5½	5½	5½	5½
35½ 27½ StenChem	0.12	1.8	4 814	25½	25½	25½	25½	25½
30½ 27½ StenChem	0.12	1.8	4 807	25½	25½	25½	25½	25½
31½ 27½ StenChem	0.08	3.6	10 3785	35½	35½	35½	35½	35½
32 23½ StenChem	0.60	2.0	36 558	30	30	30	30	30
31½ 27½ StenChem	0.71	5.6	2 1826	32	32	32	32	32
27½ 19½ Stop Shop	0.22	22	340	25½	25½	25½	25½	25½
16 13½ Stop Shop	0.04	5.5	16 573	18½	14½	14½	14½	14½
41½ 27½ Storch	0.28	8	4 4007	29	26	26	26	26
32 22½ Storch			33 343	23½	23½	23½	23½	23½
18½ 12 StorchInd			0.35	3.6	10 3785	35½	35½	35½
32 23½ Storch Ind	1.20	18	17 558	31½	31½	31½	31½	31½
24 24½ Stow-Sure	0.30	10.9	1 29	3	3	3	3	3
10½ 10½ Sun Dio A	1.10	10.5	7 95	10½	10½	10½	10½	10½
4 4½ 4½ Sun Dio B	0.04	5.5	4 44	44	44	44	44	44

1984		\$
High	Low Stock	\$
18 ¹	16 TNP Enterp	1.62
77 ¹	65 TRW	1.01
11 ¹	7 ¹ 12 Medici	0.11
22 ¹	22 ¹ Tessera Fd	0.11
7 ¹	5 ¹ TECO	0.42
13 ¹	10 Teller Pt	1.01
44 ¹	34 ¹ Trabco	1.01
10 ¹	10 ¹ Transpac	1.01
49 ¹	30 ¹ Tanco	0.80
72 ¹	60 ¹ Taurus Mch	0.70
22 ¹	18 ¹ Techco Energy	1.01
33 ¹	23 ¹ Techne	0.68
3 ¹	2 ¹ Techne	0.68
26 ¹	14 ¹ Techsys	0.88
45 ¹	34 ¹ TechsysPA	0.88
76	53 Telkoms	1.52
43 ¹	43 ¹ Tempair	1.01
20 ¹	19 ¹ TempairGmbl	0.17
8 ¹	7 TempairGmbl	0.88
5	6 ¹ TempairGmbl	0.88
50 ¹	51 ¹ Tempco	2.40
27 ¹	25 ¹ Tempco Pr	2.40
31 ¹	21 ¹ Terayonic	0.88
6 ¹	6 ¹ Test	0.08
8 ¹	6 ¹ Test Inds	0.08
51 ¹	51 ¹ Testco	1.01
51 ¹	50 ¹ Texaco C	3.25
30 ¹	25 ¹ Texaco Ind	0.30
89 ¹	81 ¹ Texaco	0.72
21 ¹	18 ¹ Texaco Pac	0.40
43 ¹	36 ¹ Texal	0.88
4 ¹	3 ¹ Texal Inds	1.10
16 ¹	14 ¹ Texaco	1.40
34 ¹	4 ¹ Texachem	0.40
2 ¹	1 ¹ Texaco Cap	0.28
37 ¹	24 ¹ Texaco Fin	0.22
44 ¹	37 ¹ TexacoInt	0.12
27 ¹	24 ¹ TexacoInt	0.88
61 ¹	58 ¹ Texaco	2.24
18 ¹	13 ¹ Thomas Ind	0.40
41 ¹	29 ¹ Thompson Ad	2.00
23 ¹	19 ¹ ThosInd	0.40
34 ¹	28 ¹ Thomy	0.28
44 ¹	36 ¹ ThosWarr	0.32
37 ¹	29 ¹ ThosWarr	1.00
77 ¹	23 ¹ ThosWarr	1.00
B	2 ¹ ThosCap	1.00
12 ¹	11 ¹ ThosPr	1.00
4 ¹	4 ¹ ThosInd	0.08
15 ¹	11 ¹ ThosInd Co	0.56
25 ¹	25 ¹ ThosIndCo	2.81
15 ¹	12 ¹ Toll Elex	0.88
75	66 ¹ TollElex RI	0.38
49 ¹	37 ¹ Tonmark	1.12
30 ¹	25 ¹ Toncar	0.48
35	28 ¹ Tonca	0.80
28 ¹	24 ¹ ToncaSyst	0.14
40 ¹	32 ¹ Tonfile	0.14
37 ¹	28 ¹ Tonomatic	1.92
57 ¹	48 ¹ Tonam	2.00
53 ¹	45 ¹ Tonam	0.38
14 ¹	14 ¹ Tonam	0.60
14 ¹	12 ¹ Tonamex	0.24
17	11 ¹ Tonamex	0.24
43	33 ¹ Toniv	0.50
13 ¹	13 ¹ Tonivag	0.24
37 ¹	31 ¹ Tonivag	2.50
26 ¹	15 ¹ Toniv	1.04
24 ¹	21 ¹ Toncar	0.76
47 ¹	35 ¹ Toncar x	0.68
40	31 ¹ Toncar	0.88
24 ¹	24 ¹ Toncar	0.10
4 ¹	3 ¹ Toncar B	0.20
8 ¹	5 ¹ Toncar Op	0.20
14 ¹	7 ¹ Turkish	0.12
22 ¹	15 ¹ Turk Ind	0.20
21 ¹	18 ¹ Turin Disc	0.70
55 ¹	47 ¹ Turin L	0.40
10	8 ¹ Turin T	0.19
8 ¹	5 ¹ Tydar	0.20
150122 ¹ UHL		
20 ¹	23 ¹ ULE Fin	0.84
8	5 ¹ UMS	0.20
51 ¹	49 ¹ UMSFin 4.1	4.10
36	25 ¹ USG	1.12
51 ¹	25 ¹ UST	1.12
51 ¹	49 ¹ USX Corp/F	3.75
20 ¹	16 ¹ UDC Inc	1.68
11 ¹	9 ¹ UDC Inc	1.34
27	20 ¹ UniFin	0.56
17 ¹	14 ¹ Unifit	0.10
40	40 ¹ Uno Xper	2.00
12 ¹	10 ¹ UnifitW	1.55
50 ¹	43 ¹ Unicamp	1.56
20 ¹	21 ¹ Unicarb	0.75
13 ¹	10 ¹ Union Corp	3.50
40	38 ¹ Union Corp	4.50
67	61 ¹ Unis 4.50 x	4.50
39 ¹	33 ¹ Union	0.84
49 ¹	55 ¹ Unifac	1.60
27 ¹	23 ¹ UnionFins	0.84
22	19 ¹ UnionTomas	0.20
2 ¹	1 ¹ Union	2.77
10 ¹	12 ¹ Unigen	0.20

Y/M	R/F	Sg	Mkt	Loc	Class	Grps	Pr	1984	Mkt	Low Stock	Div
10.0	6	223	10-3	612	154	-	-	303	23% Upfin	1.48	
10.0	9	1193	85-1	632	844	-	-	175	15% USICO	0.24	
11	8	618	10-3	92	92	-	-	109	9% USICO Inc	0.84	
11	21	261	20-3	261	261	-	-	185	15% USM	0.69	
5.7	7	218	8-3	61	61	-	-	455	33 US US	1.00	
5.7	3	111	11-3	111	111	-	-	175	15% USI Deln	0.24	
4.8	18	2149	35-3	35	35	-	-	31	27% Unicpl 1775	1.78	
4.8	2	3067	12-3	12	12	-	-	314	26% Unicorp	1.08	
13	12	1612	31-3	31	31	-	-				
8.7	20	26	16-3	16	16	-	-				
5.1	15	1394	30-3	19	19	-	-				
2.0	20	767	31-3	30	30	-	-				
5.3	11	825	15-3	14	14	-	-				
2.9	7	1362	37-3	36	36	-	-				
3.0	1040569	54-3	550	550	514	-	-				
3.7	37	2300	45-3	45	45	-	-				
0.8	174	22	21-3	21	21	-	-				
8.6	6	68	7-3	67	67	-	-				
8.6	1311	10	8-3	87	87	-	-				
12.0	10360	52-3	52	52	49	-	-				
8.3	11	46	32-3	29	29	-	-				
1.1	21	1348	22-3	21	21	-	-				
0.5	1	61	1-3	57	57	-	-				
11	21	226	7-3	69	69	-	-				
18	170	78	5-3	55	55	-	-				
5.0	14	4442	63-3	62	62	-	-				
5.0	16	103	50-3	50	50	-	-				
0.5	48	166	36-3	32	32	-	-				
11	1211866	67-3	67	64	64	-	-				
2.0	24	2	20	20	20	-	-				
2.2	4501	27-3	26	26	27	-	-				
7.4	2	79	25-3	24	24	-	-				
2.7	12	718	55-3	55	55	-	-				
212	14	44	45-3	45	45	-	-				
2.1	154	10	10-3	10	10	-	-				
1.1	170	24	24-3	24	24	-	-				
0.3	21	2265	38-3	38	38	-	-				
2.3	7	204	24	24	24	-	-				
3.5	21	328	46-3	52	52	-	-				
29	36	10	14-3	14	14	-	-				
5.2	15	76	38-3	37	37	-	-				
20	35	864	20-3	20	20	-	-				
1.0	44	136	20-3	20	20	-	-				
0.9	47	33765	37-3	35	35	-	-				
3.5	23	1896	30-3	30	30	-	-				
10	59	10	6-3	57	57	-	-				
8.3	6	323	5-3	51	51	-	-				
8.3	5	12	12-3	12	12	-	-				
4.5	35	25	4-3	25	25	-	-				
0.8	21	1160	24-3	24	24	-	-				
13	3007	12-3	12	11	11	-	-				
0.6	20	7	67-3	67	67	-	-				
3.0	10	1200	36-3	37	37	-	-				
1.9	17	70	23-3	23	23	-	-				
2.0	12	550	25-3	25	25	-	-				
0.6	37	25	24-3	24	24	-	-				
21	5770	33-3	33	33	33	-	-				
8.1	10	15	23-3	23	23	-	-				
4.6	9	869	50-3	47	47	-	-				
0.2	12	22	14-3	14	14	-	-				
4.9	8	807	14-3	14	14	-	-				
1.6	12	13	15-3	15	15	-	-				
1.4	8	8878	35-3	35	35	-	-				
7.1	14	21	14-3	14	14	-	-				
6	103	20-3	35	35	35	-	-				
1.7	23	1531	61	60	59	-	-				
2.5	28	285	24-3	24	24	-	-				
18	20	758	32-3	32	32	-	-				
1.5	35	321	32-3	32	32	-	-				
4.6	10	1466	25-3	25	25	-	-				
2.6	28	1240	32-3	32	32	-	-				
1.5	25	73	5-3	53	53	-	-				
3.5	8	171	18-3	18	18	-	-				
3.5	18	16	20-3	20	20	-	-				
0.8	26	851	47-3	46	46	-	-				
1.2	3	1070	84-3	84	84	-	-				
74	10	54	54	54	54	-	-				

Y	P	S	H	L	D	C	G
11	10	1000	263	257	17	264	1
15	11	4496	263	257	17	174	1
14	6	116	177	80	57	165	1
10	8	34	177	80	57	97	1
14	42	3327	174	82	52	166	1
10	11	1992	345	174	17	324	1
14	16	361	145	207	17	144	1
12	12	120	28	207	17	392	1
16	15	341	304	36	36	304	1
V -							
23	13	1723	513	503	513	513	1
14	14	428	215	213	212	212	1
14	26	212	124	56	47	47	1
16	8	63	34	75	75	75	1
13	23	226	74	52	52	52	1
13	113	34	24	11	11	11	1
13	90	50	114	59	59	59	1
13	66	52	52	52	52	52	1
17	11	162	32	32	32	32	1
11	0	3	14	13	13	13	1
15	20	220	66	66	66	66	1
16	124	345	323	323	323	323	1
10	4	22	213	213	213	213	1
19	80	22	213	213	213	213	1
20	23	2042	754	747	747	747	1
19	80	124	124	124	124	124	1
17	64	155	161	161	161	161	1
2	38	59	324	481	481	481	1
28	19	71	47	47	47	47	1
W -							
18	3116	204	52	52	52	52	1
13	14	311	304	155	155	155	1
28	389	184	155	155	155	155	1
8	11	273	224	312	312	312	1
14	4433	18	124	124	124	124	1
14	51	82	52	52	52	52	1
17	19	2715	414	403	403	403	1
19	16	388	22	33	33	33	1
23	233497	22	22	22	22	22	1
11	8	58	34	34	34	34	1
17	30	323	56	54	54	54	1
12	28	215	174	174	174	174	1
13	28	159	174	174	174	174	1
17	74	79	39	39	39	39	1
18	19	11	24	24	24	24	1
19	17	57	228	228	228	228	1
17	17	281	281	281	281	281	1
18	8	134	28	28	28	28	1
13	15	199	155	155	155	155	1
16	27	150	150	207	207	207	1
14	4	234	34	34	34	34	1
19	15	28	28	28	28	28	1
12	10	704	215	202	202	202	1
18	18	1849	124	124	124	124	1
14	22	1581	174	174	174	174	1
19	10	100	224	224	224	224	1
18	10	1068	150	150	150	150	1
12	12	476	476	476	476	476	1
12	22	227	114	114	114	114	1
52	10004	144	124	124	124	124	1
17	22	223	227	273	273	273	1
13	13	15	15	15	15	15	1
33	10	768	24	24	24	24	1
17	17	3767	114	610	610	610	1
7	0	289	44	44	44	44	1
13	25	50	154	154	154	154	1
13	5	268	114	167	167	167	1
33	33	545	304	304	304	304	1
15	15	2727	404	404	404	404	1
13	21	1749	144	144	144	144	1
12	16	16096	55	624	624	624	1
17	7	7	114	614	614	614	1
10	15	2258	152	152	152	152	1
17	13	147	145	634	634	634	1
14	50	538	145	634	634	634	1
15	13	230	20	64	64	64	1
10	14	4164	24	24	24	24	1
18	14	4	52	52	52	52	1
13	15	561	45	45	45	45	1
29	15	461	45	45	45	45	1
13	24	265	114	114	114	114	1
13	14	1578	24	24	24	24	1
16	21	251	251	251	251	251	1
15	62	1659	30	24	24	24	1
29	29	21421	40	24	24	24	1
17	13	64	154	22	22	22	1
12	4	7084	194	155	155	155	1
7	7	24	164	164	164	164	1
10	32	882	484	54	54	54	1
7	18	343	174	55	55	55	1
11	15	173	22	24	24	24	1
Y - Z -							
11	33	2403	98	94	94	94	1
11	10	2100	51	51	51	51	1
4	17	190	415	404	404	404	1
11	19	21	215	215	215	215	1
14	18	971	504	364	364	364	1
11	10	359	114	114	114	114	1
2	1644	94	94	94	94	94	1
8	7	24	214	215	215	215	1
3	121	71	71	74	74	74	1
11	15	43	128	124	124	124	1
11	16	168	215	214	214	214	1

NASDAQ NATIONAL MARKET

4 pm close April

Stock	Div.	Ex.	10pm	High	Low	Last	Cong	Stock	Div.	Ex.	10pm	High	Low	Last	Cong	Stock	Div.	Ex.	10pm	High	Low	Last	Cong	Stock	Div.	Ex.	10pm	High	Low	Last	Cong	
ABS Inds	0.20	20	152	154	142	142	-2	DebtBk	0.32	21	3	137	135	137	-1	K Stress	0.05	11	698	22	214	215	+1	Poncar B	0.12	7	2447	20	191	191	-2	
ACC Corp	0.12	81	1576	22	195	195	-2	DebtC	0.80	45	389	23	31	31	-2	Kerton Cp	0.44	5	601	94	9	94	-2	Pyramid	11	566	8	77	75	75	-2	
Acciatt E	18	5112	144	139	137	137	-1	DelChamps	0.44	10	193	21	20	20	-2	Krecher C	0.04	38	24	12	11	12	-1	QuakerCm	0.62	84	114	164	16	16	-2	
Acme Mills	19	228	23	212	22	22	-1	Dell Comp	2310863	271	24	24	24	24	-1	Kayton Cp	0.40	14	188	24	234	234	-1	Quantum	12	169	73	7	7	7	-2	
Axiom Cp	29	589	204	20	20	20	-1	DeltaSized	0.16	18	542	154	148	148	-1	KelleyOld	5	518	64	65	6	6	-2	QuakerCm	54	12	14	614	144	144	-2	
Adaptach	13	4259	154	154	142	142	-2	Den Sy	1.80	7	31	1577	36	35	35	-1	Keytron	0.24	10	182	27	24	24	-1	QVC Netw	19	344	134	126	124	124	-2
ADC Tele	31	1328	36	36	37	37	-1	Devcon	0.20	2	25	171	7	7	7	-2	Kelly Sv	0.64	21	144	26	25	25	-1	QVC Netw	24	4055	384	384	384	384	-2
Addington	13	645	147	132	12	14	-1	DH Tech	14	20	174	174	174	174	-1	Kentucky	0.11	12	10	74	74	74	-1	Rainbow	14	1163	152	141	141	141	-2	
Altis Serv	0.16	20	27	331	332	331	+1	Dibrell B	0.72	8	92	171	168	171	+1	Kreischer	1.2	21	64	54	5	54	-1	Realty	11	490	84	77	77	77	-2	
Adobe Sys	19	19	7612	254	24	24	-1	Digi Int	15	357	161	154	154	154	-1	Kreicher	0.24	13	187	251	223	244	-1	Realtors	2	1436	5	64	64	64	-2	
Advanc C	9	331	131	125	125	125	-1	Digi Micro	6	371	13	13	12	12	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	24	334194	184	184	184	184	-2	
Adv Logic	8	834	61	57	57	57	-1	Dig Sound	7	762	12	12	12	12	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	25	716	28	26	26	26	-2	
Adv Polym	7	489	54	54	52	52	-1	Dig Sys	3	314	27	25	25	25	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	15	584	174	174	174	174	-2	
AdvTechLab	30	1318	143	143	137	137	-1	Diones Cp	16	119	395	34	34	34	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	2	851	47	64	64	64	-2	
Alfrta	0.20	17	667	344	334	344	+1	Ditex Yrn	0.23	23	383	97	92	93	+1	Reid Food	0.20	17	596	234	221	232	-1	Realty	4	11	3	3	3	3	-2	
Allymax	10	85	131	127	131	131	-1	DM Plant	2	3121	4	33	34	34	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	15	135	92	94	94	94	-2	
Agency Re	21	7	12	12	12	12	-1	DS Bancer	1.89	18	225	23	28	29	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	1	80	57	57	57	57	-2	
AgroGesa	0.10	1013	1607	162	610	104	-1	Durham	0.42	12	544	17	164	164	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	1	80	57	57	57	57	-2	
Air Expr	0.20	14	40	21	21	21	-1	Dur Fil	0.30	24	8	153	32	32	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	3	594	162	162	162	162	-2
Aito AdR	2.67	202	60	57	57	57	-1	Dynatech	13	211	20	19	20	20	+1	Reid Food	0.20	17	596	234	221	232	-1	Realty	1.20	9	465	46	46	46	46	-2
Aito Cap	37	1867	27	26	26	26	-1	Dry St	0.24	21	379	24	23	24	+1	Reid Food	0.20	17	596	234	221	232	-1	Realty	1.20	30	333	15	15	15	15	-2
Aito Gold	0.05	17	17	14	11	11	-1	Dry Empo	0.08	48	520	5	44	47	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	2700	34	34	34	34	-2
Alex Co	2910503	32	294	304	304	304	-1	DS Bancer	1.89	18	225	23	28	29	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Am Basker	0.68	8	414	22	22	22	-1	Dug Head	0.20	17	667	17	17	17	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Am City Bu	27	8	29	28	28	28	-1	Duluth	0.10	42	55	55	55	55	+1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Am Manag	18	74	194	194	194	194	-1	Eagle Rd	2	299	4	49	49	49	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Am Med Sl	17	1193	14	12	12	15	-1	Easell Cp	0.20	17	667	17	17	17	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Ace Softwa	0.32	170	660	51	51	51	-1	EastEnvt	4	111	1	15	15	15	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Am Frys	32	127	20	194	194	194	-1	ECH Tel	0.18	25	5488	19	14	18	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
AmSrlA	0.59	17	3476	304	28	304	-1	Egghead	64	851	8	87	7	7	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
AmntP	1	2010	14	0	0	1	-1	Egghead	2	900	2	25	2	25	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
AmnRn	2.20	7	30	44	44	44	-1	ElectrSci	9	3234	107	69	94	94	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
AmPerCoo	4117033	24	204	20	21	21	-1	Electro	0.75	46	59	46	46	46	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Am Trav	9	388	115	11	11	13	-1	ElectrAgs	19	2443	7	52	52	52	+1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Angen Inc	1315168	36	324	352	352	352	-1	Emalec Cp	27	1442	64	64	64	64	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Antech Cp	0.08	21	773	154	142	142	-1	EnglyMtrs	48	330	14	13	13	13	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
AmrFin	4	424	91	89	91	91	-1	Enviro Sys	58	61	1	15	15	15	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Analogic	14	385	15	15	14	15	-1	Enviro Sys	3	409	4	43	4	43	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Analysts	0.48	13	79	16	15	15	-1	EquityA	0.24	10	18	4	4	4	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Armor Al	0.04	19	31	19	18	19	-1	EquityA	0.24	13	105	54	54	54	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
Arnold	0.40	16	177	193	193	193	-1	EquityA	0.04	46	1635	32	29	29	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
ArtofA	1.08	7	263	263	263	263	-1	EquityA	13	4889	22	20	20	20	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
ArtofB	1.08	7	263	263	263	263	-1	EquityA	3	174	3	17	3	17	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
ArtofC	1.08	7	263	263	263	263	-1	EquityA	1.55	11	122	44	44	44	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
ArtofD	1.08	7	263	263	263	263	-1	EquityA	1.55	11	122	44	44	44	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
ArtofE	1.08	7	263	263	263	263	-1	EquityA	1.55	11	122	44	44	44	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
ArtofF	1.08	7	263	263	263	263	-1	EquityA	1.55	11	122	44	44	44	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
ArtofG	1.08	7	263	263	263	263	-1	EquityA	1.55	11	122	44	44	44	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	10	24	19	19	19	-2	
ArtofH	1.08	7	263	263	263	263	-1	EquityA	1.55	11	122	44	44	44	-1	Reid Food	0.20	17	596	234	221	232	-1	Realty	0.56	1						

AMEX COMPOSITE PRICES

— 1 —

Py	Sr							
E	100s	High	Low	Gloss	Ct.			
5	.45	1.5	1.5	1.5	1.5			
6	25	75	25	25	25			
9	44	154	143	154	154			
10	57	57	23	23	23			
12	205	212	205	212	212			
13	25	212	203	203	203			
13	10	2.16	2.16	2.16	2.16			
14	201	7.6	7	7	7			
17	28	17.6	15.4	15.4	15.4			
28	50	50	31	31	31			
30	13	35	35	35	35			
35	36	161.2	154	154	154			
36	100	100	100	100	100			
38	674	104.4	93	93	93			
40	2	12.4	12.4	12.4	12.4			
5	158	84	84	84	84			
13	1550	31.6	30.7	30.7	30.7			
14	1570	35	35	35	35			
16	332	14.8	13.4	14.8	14.8			
17	37	345.6	341.4	341.4	341.4			
18	12	21.1	11.4	11.4	11.4			
20	70	47.8	40.5	40.5	40.5			
24	445	40.5	40.5	40.5	40.5			
26	3	3	3	3	3			
28	12	3.4	3.4	3.4	3.4			
32	18	34.7	34.7	34.7	34.7			
36	12	34.7	34.7	34.7	34.7			
38	17	34.7	34.7	34.7	34.7			
42	12	34.7	34.7	34.7	34.7			
46	12	34.7	34.7	34.7	34.7			
50	12	34.7	34.7	34.7	34.7			

		P/	Slv	High	Low	Close	Chng	
	Stock	Dly.	E	100s				Stock
HealthNet	3	313	85	85	84	84	-1	Pet H&P
Henco	0.15	46	4	10	410	10	-1	Psi LD
HypomedUSA	13	633	104	105	104	10	-1	Midway A
ICH Corp	1	861	85	85	85	85	-1	Pty Gmrs
InstronCp	0.12	26	5	10	10	10	-1	PMC
Int. Cosns	3	1191	4	35	34	34	-1	PresidioA
Intermagic	79	173	152	152	152	152	-1	ReganBrad
Iverex	0.04	24	1459	25	22	24	-1	R&BW Cp
Jan Bell	5	226	55	55	55	55	-1	NeedleInv
Katoma	29	27	134	131	131	131	-1	SJW Corp
Kinark Cp	21	2	42	42	42	42	-1	Star Union
Kirby Exp	24	238	22	20	20	20	-1	Star Bld
Kog-Eq	55	127	64	64	64	64	-1	Sunast
Laborge	10	8	1	1	1	1	-1	TB Ind
Laser Ind	18	85	7	85	7	7	-1	Tech Prod
Lee Pharm	9	28	1	1	1	1	-1	TelkData
Lumex Inc	475	127	94	92	92	92	-1	Thermotec
Lynch Cp	6	5	22	22	22	22	-1	Thermofl
Mazcom	2	287	35	34	34	34	-1	Titan
Media A	0.44	22	167	22	22	22	-1	Tobaco Mex
Mem Co	0.02	4	5	5	5	5	-1	TurnBld
Minimed	29	3	1	1	1	1	-1	TurnBldS
Mono A	14	3	3	3	3	3	-1	UnifoodsA
MRI Exp	17	182	92	92	92	92	-1	UnifoodsE

**GET YOUR FT BY HAND DELIVERY
IN STOCKHOLM**

If you work in the business centres of Malmö, Lund, Stockholm or Gothenburg we'll deliver your daily
Görlitz-Potsdam-Johannes for details (08) 791 2345

FINANCIAL TIMES

AMERICA

Dow falls on sudden shift in sentiment

Wall Street

US stocks retreated yesterday morning as brokers worried that the upturn in interest rates could harm corporate profits, writes Frank McCourt in New York.

By 1pm, the Dow Jones Industrial Average was 37.17 lower at 3,582.65, while the more broadly based Standard & Poor's 500 was down 4.32 at 429.81. Declining issues led advances, 1,248 to 768 in heavy volume of 20m shares.

In the secondary markets, the American SE composite dropped 1.78 to 428.25, and the Nasdaq composite lost 5.84 at 706.01.

The volatility of prices during the morning again reflected an underlying ambivalence among investors about the economic outlook. At the opening shares surged by more 20 points ahead of news of a strong rebound last month in the housing sector.

The commerce department said that housing starts in March had jumped 12.1 per cent, after an 8 per cent fall the previous month. The data suggested the industry recovered well from February's weather-induced contraction.

The US Treasury market reacted calmly to the news with bond prices holding steady throughout the morning.

By contrast, the equity markets had a sudden shift in mood. Investors appeared to be concerned that the surge in interest rates over the last two months would soon begin to harm corporate profitability, despite a strong first quarter.

Caterpillar plunged 4% to \$103 even though it posted net income of \$1.88, share against 34 cents a year ago.

For the second day, Chrysler was punished for failing to outperform expectations: the stock lost 3% to 44% after shedding 6% the previous session. Fears of an economic slowdown triggered selling of other car

issues: General Motors was 1% lower at \$33.4 and Ford dropped 3% to \$54.

A few companies were rewarded for showing improvement. Compagnie surgi nearly \$6 after announcing a 95 per cent increase in earnings. But the stock gave back some to its gains and was trading at \$100, up 3%, by early afternoon.

Most technology issues were weaker: Motorola was down 3% at \$42 in heavy volume of more than 300m shares. Micron Technology, 3% lower at \$30, was having another bad day as well.

Canada

Toronto stocks saw early gains eroded by mid-session trading.

The TSE 300 composite index, which had been held at 4,127.78, was down 6.94 at 4,108.13 at midday.

Volume was 21.6m shares valued at C\$385m. Declines led advances by 346 to 232 with 311 steady.

Mexico

Shares continued to fall back following Wednesday's 3.4 per cent slide after domestic interest rates were lifted to their highest level since November 1992.

The IPC index was down 21.53 points or 1 per cent at 3,043.24 in mid-session trading.

The 28-day Cete rate was raised by 342 basis points to 18 per cent.

Traders forecast that the market would remain volatile and saw the next technical support level at 1,900.

Volume was 3.7m shares.

SOUTH AFRICA

Equities fell back following sharp rises on Tuesday when investors were encouraged by news of the Inkatha Freedom party's decision to contest the general election. The overall index shed 35 to 5,045, golds lost 62 to 1,883 and industrials added 35 to 5,960.

Emerging markets correct in first quarter

By John Pitt

Emerging markets in general suffered sharp corrections in the first quarter, according to research published this week by Kleiman International.

The US-based independent group, which analyses emerging banking and securities markets, comments that most of the markets fell back on profit-taking and as a consequence of interest rate and equity market turbulence in the developed world.

"Of the 62 markets tracked from January to March 1994, global interest rates and equity turbulence affected the more mature emerging markets, while double digit advances remained the norm on lesser known exchanges, notably in central Europe, the Maghreb and sub-Saharan Africa."

The picture was not altogether negative on the larger exchanges - Colombia, Zimbabwe, Brazil and Portugal all picked up gains in dollar terms of between 48 to 18 per cent. But some of the strongest rises came from the more exotic markets, such as Morocco, up 17.5 per cent, and Tunisia, up 16 per cent in local

EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

Dollar terms Local currency terms

No. of stocks Apr 15 % Change over week on Dec '93 Apr 15 % Change over week on Dec '93

Market	No. of stocks	Dollar terms	% Change over week on Dec '93	Local currency terms	% Change over week on Dec '93
Latin America	210	580.13	-4.2	-4.3	-4.3
Argentina	25	852.21	-1.6	-18.6	-1.6
Brazil	57	221.22	-16.3	+1.2	-4.6
Chile	25	504.26	+2.0	-7.7	+1.3
Colombia ^a	11	915.84	-2.3	-42.1	-5.4
Mexico	59	903.48	-1.9	-19.7	-1.9
Peru ^b	11	133.41	-3.8	+10.3	-13.0
Venezuela	12	673.03	-2.1	+13.7	-3.6
Asia	559	238.74	+5.8	-17.8	+25.5
China ^c	18	101.91	+2.1	-31.7	+1.8
South Korea ^d	158	120.79	+1.8	+2.2	+2.4
Philippines	18	261.25	+4.1	-23.3	+4.8
Taiwan, China ^e	90	125.30	+1.6	-7.3	+1.6
India ^f	76	129.57	-0.2	+11.2	+11.2
Indonesia ^g	37	95.33	+4.0	-23.5	+4.2
Malaysia	105	286.04	+6.0	-21.3	+2.1
Pakistan ^h	16	403.55	+0.8	+4.0	+5.7
Sri Lanka ⁱ	5	194.93	+0.3	+10.0	+8.0
Thailand	55	361.75	+6.3	-24.3	+24.8
Euro/Mid East	125	113.37	-0.9	-33.0	-0.9
Greece	23	238.08	-1.6	+4.6	+4.3
Hungary ^j	9	212.88	+0.6	+2.6	+2.1
Jordan ^k	10	147.75	+2.3	-0.5	+1.9
Poland ^l	12	617.90	-24.3	-24.5	-20.4
Portugal	26	122.42	-1.3	+13.7	+15.6
Turkey ^m	30	56.89	+4.7	-54.5	+4.7
Zimbabwe ⁿ	5	223.53	+2.1	+13.6	+2.5
Commodities	622	302.59	-0.0	-14.9	-0.0

Indices are calculated at end-of-week, and weekly changes are percentage movements from the previous Friday. Base date: Dec 1989=100 except those noted with * (Feb 1 1991); ** (Aug 1 1992); *** (Mar 5 1992); **** (Mar 31 1992); ***** (Mar 3 1992); 6 (Jan 4 1991); 7 (Mar 6 1992); 8 (Sep 28 1992); 9 (Apr 1 1991); 10 (Dec 21 1992); 11 (Dec 31 1992); 12 (Mar 2 1992); 13 (Aug 4 1992); 14 (Aug 5 1992).

currency terms, while the Cyprus over-the-counter market, according to Kleiman's, climbed 13.7 per cent.

Baring Securities remarks that the flow of funds into emerging markets totalled \$52m in 1993, some 15 times greater than the 1988 level. US buyers remained the heaviest purchasers, taking 40 per cent of the total.

Jointly compiled by The Financial Times Ltd, Goldman Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

TUESDAY APRIL 19 1994									
	US	Dollars	Pound	Yen	DM	Local	Gross	US	DOLLAR INDEX
	Index	Change	Index	Index	Index	Yield	Index	Index	Year
Australia (65)	168.97	-2.0	167.47	147.68	155.40	-1.8	3.51	170.40	171.85
Belgium (72)	177.72	-0.5	178.55	157.18	157.18	-0.5	0.89	178.70	178.23
Canada (109)	124.07	-1.2	124.44	103.85	106.72	-1.2	2.04	124.19	124.71
Denmark (32)	248.33	-0.1	249.57	162.24	220.04	-0.7	-1.05	248.99	251.17
Finland (22)	143.40	-1.1	143.85	93.58	126.92	-1.6	-1.5	145.07	145.31
France (108)	170.08	-0.3	170.57	110.98	155.89	-1.3	2.90	170.63	172.08
Germany (59)	185.37	-1.1	187.20	127.06	121.08	-2.2	1.68	188.03	193.58
Hong Kong (56)	185.38	-0.3	185.38	120.95	120.95	-0.2	2.05	185.38	185.38
Ireland (14)	188.75	0.5	182.32	122.15	165.92	-1.8	3.25	187.70	188.39
Italy (60)	188.21	0.1	188.49	58.51	184.88	-0.8	1.60	188.08	188.85
Japan (469)	158.74	-1.1	159.21	103.58	103.58	-0.3	0.78	158.64	159.99
Malaysia (98)	481.25	-1.5	482.70	313.98	426.93	-0.7	1.36	488.50	482.67
Mexico (118)	1880.03	-2.7	1883.62	1193.88	1618.55	-1.7	-0.7	1880.81	1898.84
Netherlands (24)	201.71	-0.1	201.65	131.17	177.75	-1.0	3.20	200.84	202.61
New Zealand (14)	191.84	-2.3	191.84	127.47	131.17	-0.7	4.45	191.84	191.84
Norway (23)	191.91	-0.7	192.49	125.21	169.72	-2.9	1.73	192.22	194.86
Singapore (44)	335.45	-1.1	334.49	217.56	260.89	-2.6	1.82	337.08	339.95
South Africa (59)	242.02	-1.8	242.78	157.50	214.03	-2.8	2.35	216.43	216.28
Spain (42)	135.43	1.9	135.84	86.83	119.77	-1.42	1.0	132.91	143.05
Sweden (38)	210.06	-1.1	210.69	165.75	165.75	-1.2	1.58	212.43	214.25
Switzerland (49)	180.53	0.2	181.12	104.50	142.05	-1.1	1.62	180.26	181.94
United Kingdom (205)	190.18	0.2	190.75	120.00	168.19	-0.7	3.07	188.74	191.38
USA (516)	180.02	0.1	180.98	117.85	159.48</				